

JPRS 74135

6 September 1979

West Europe Report

No. 1465



FOREIGN BROADCAST INFORMATION SERVICE

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REPORT DOCUMENTATION PAGE		1. REPORT NO. JPRS 74135	2.	3. Recipient's Accession No.
4. Title and Subtitle WEST EUROPE REPORT, No. 1465			5. Report Date 6 September 1979	
7. Author(s)			8. Performing Organization Rept. No.	
9. Performing Organization Name and Address Joint Publications Research Service 1000 North Glebe Road Arlington, Virginia 22201			10. Project/Task/Work Unit No.	
			11. Contract(C) or Grant(G) No. (C) (G)	
12. Sponsoring Organization Name and Address As above			13. Type of Report & Period Covered	
			14.	
15. Supplementary Notes				
16. Abstract (Limit: 200 words) This serial report contains political/economic information on West European energy, finance and trade policy matters as well as developments and trends in the doctrine, programs and problems of the major communist parties, including their relations with communist parties outside the West European area. The report also contains information on Theater Nuclear Forces and elections to the European Parliament.				
17. Document Analysis a. Descriptors				
Political Science	International Affairs	Iceland		
Sociology	x Austria	x Italy		
Propaganda	x Belgium	Luxembourg		
Economics	Canada	Netherlands		
Energy	x Cyprus	Norway		
Industry	x Denmark	Portugal		
Trade	x Federal Republic of	x Spain		
Finance	Germany	Sweden		
Theater Nuclear Forces	Finland	Switzerland		
	x France	x Turkey		
	x Greece	United Kingdom		
b. Identifiers/Open-Ended Terms				
c. COSATI Field/Group 5C, 5D, 10				
18. Availability Statement Unlimited Availability Sold by NTIS Springfield, Virginia 22161		19. Security Class (This Report) UNCLASSIFIED		21. No. of Pages 128
		20. Security Class (This Page) UNCLASSIFIED		22. Price

6 September 1979

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CONTENTS

PAGE

COUNTRY SECTION

AUSTRIA

OeVP Defeat, Party Propaganda Problems Scrutinized (Fritz Bock; BERICHTE UND INFORMATIONEN, Jul 79).....	1
Ethanol Plants To Open in 1981 (Herbert Hacker; DIE WELTWOCH, 11 Jul 79).....	8
Austria, CSSR Plan Joint Danube Power Plant (Erich Hoorn; DIE PRESSE, 22 Jun 79).....	11

BELGIUM

Martens Speaks Out on Domestic, EC Problems (KNACK, 27 Jun 79).....	13
--	----

CYPRUS

Youth Groups Criticize NUP Government (HALKIN SESI, 29 Jul 79).....	21
Columnist Cites Drawbacks of Using Turkish Currency (Ayhan Kaymak; HALKIN SESI, 22 Jul 79).....	23

DENMARK

Coalition Partners Expect Government To Last Until Elections (INFORMATION, 1 Aug 79).....	25
Liberals Prepare for Economic Talks With Social Democrats (INFORMATION, 1 Aug 79).....	28

CONTENTS (Continued)

Page

1979 Likely To Be Record Year for Wildcat Strikes (Birgitte Henriksen; BERLINGSKE TIDENDE, 2 Aug 79).....	32
---	----

Nielsen Says Unions, Social Democrats Still Far Apart (Ejvind Larsen; INFORMATION, 23 Jul 79).....	33
---	----

FEDERAL REPUBLIC OF GERMANY

Chancellor's Differences With SPD Left Discussed (DER SPIEGEL, 23 Jul 79).....	37
---	----

Atomic Power, Environment
Appointment of Deputy Party Leader

Finance Minister Interviewed on Tax Policies (Hans Matthoefer Interview; DIE WELT, 28 Jul 79)....	44
--	----

Prospects for Oil Savings From District Heating Discussed (Ernst Berens; SUEDEDEUTSCHE ZEITUNG, 28-29 Jul 79).....	47
--	----

FRANCE

'New Right' Ideology Reported, Commented On (DER SPIEGEL, 13 Aug 79).....	52
--	----

GREECE

PASOK's Links With Libya Discussed (Titos Athanasiadis; I VRADYNI, 7 Jul 79).....	59
--	----

New President, Prosecutor of Areios Pagos Reported (TA NEA, 3 Jul 79).....	64
---	----

EDA Elects New Administrative Committee (TO VIMA, 3 Jul 79).....	65
---	----

Details of 1979 Social Budget Reported (Nana Daoundaki; TA NEA, 7 Jul 79).....	66
---	----

Ekistic Areas To Be Developed in Attiki Reported (I VRADYNI, 12 Jul 79).....	69
---	----

Details on Drilling Platforms Installed at Prinos (TA NEA, 7 Jul 79).....	70
--	----

CONTENTS (Continued)

Page

Briefs

EDA Executive Committee Membership 72

ITALY

Judicial Proceedings Against 'METROPOLI' Publications
(L'ESPRESSO, 8 Jul 79)..... 73

SPAIN

'EL PAIS' Examines Economic Malaise Affecting Basque Region
(EL PAIS, various dates)..... 76

Unemployment at 8.57 Percent
Overly Dependent on Steel
Need for High Technology Industry

TURKEY

'AYDINLIK' Reports Rift in Turkish Communist Party
(AYDINLIK, 30 Jul 79)..... 88

Soysal Favors RPP-NSP Dialogue as Step Toward New
'Synthesis'
(Mumtaz Soysal; MILLIYET, 1 Aug 79)..... 91

'MILLIYET' Previews Demirel Strategy for Upcoming Elections
(MILLIYET, 6 Aug 79)..... 94

Speculation on RPP Candidates for October Elections
(CUMHURİYET, 5 Aug 79)..... 96

'HURRIYET' Notes Significance of October Elections
(Cuneyt Arcayurek; HURRIYET, 6 Aug 79)..... 98

RPP, JP Scored for Playing Politics With Closure of NAP
(Mumtaz Soysal; MILLIYET, 4 Aug 79)..... 103

'DUNYA' Reports Sukan-Mataraci Rift
(DUNYA, 5 Aug 79)..... 106

'AYDINLIK' Reports KDP Split by Barzani Brothers'
Dissent
(AYDINLIK, 5 Aug 79)..... 108

CONTENTS (Continued)

Page

'HURRIYET' Looks at TFSC on Its Fifth Anniversary (Ziya Akcapar; HURRIYET, 20 Jul 79).....	109
Ecevit Suggests Regional Unity Against Foreign Provocation (Erbil Tusa; CUMHURİYET, 29 Jul 79).....	114
New Government Efforts To Attract Foreign Exchange (MILLİYET, 22 Jul 79).....	116
Shortfall Reported in Production of Basic Commodities (TERCUMAN, 4 Aug 79).....	119
Turk-Is Official Warns 'Social Contract' May Be Cancelled (TERCUMAN, 6 Aug 79).....	121
Elbistan-Afsin Thermal Power Plant Nears Completion (DUNYA, 22 Jul 79).....	123

OeVP DEFEAT, PARTY PROPAGANDA PROBLEMS SCRUTINIZED

Vienna BERICHTE UND INFORMATIONEN in German Jul 79 pp 14-17

[Article by Fritz Bock: "The 1983 Election Must Be Conducted Differently"]

[Text] Now that the OeVP is in the process of recovering from the retirement of their federal party chairman, Dr Joseph Taus, the viewpoint of a politician who is one of the founding members of the OeVP and filled high government posts for many years--former vice chancellor Dr Fritz Bock--gains special significance. If it is the opinion of an experienced tactician like Bock that the election in Austria was conducted with too much "list"--slanted toward the personality of the federal party chairman--he is touching on a fundamental problem of Austrian party propaganda. But Dr Bock's thoughts on the question of alliances in the OeVP are also worthy of our attention.

Slowly the waves of emotion are beginning to subside after the election results of 6 May, and are giving way within the defeated opposition--I am including both opposition parties--to sober analysis and above all to consideration of what direction should be taken now. This will have to be discussed for a long time, of course. If I also speak of it in what follows--albeit only sketchily--it should be understood simply as a contribution to the discussion. First I will make an attempt--again, with no claim to completeness--to go into the causes of the development.

First it should be made clear that elections are not won or lost in the last three months before election day, even if the OeVP's election propaganda must be regarded in part as ill-judged. There is really no reason why someone should choose a party because pretty spring flowers are painted on the election posters: flowers can advertise a spring festival, but not a political program!

It must of course also be said that the question of whether election posters influence the voters at all cannot be answered with certainty. In my opinion, they are nonetheless indispensable because they at least contribute to making eligible citizens aware of the election; and if no other effect than this is to be ascribed to an election poster, that in itself provides its justification.

One could go further and say that the presence of election posters makes clear to eligible voters that the right to vote still represents a democratic duty to vote, and that this reduces the number of nonvoters. But that is no excuse for ineffective election posters.

And now for another phenomenon of the political propaganda of our time which is not limited to Austria alone. To an increasing degree, in the political parties in today's democracies, politics are strongly personalized. Neither Figl nor Raab, or Schaerf and Pittermann, were ever shown on posters in earlier elections; at that time it was the voting program or the mistakes of the opposition, as the case might be, that was displayed on the posters.

Personalization of Party Politics

This personalization of party politics comes from the U.S. and from Great Britain. In the case of the former, it is the extremely strong position of the American president, who is chief of state and head of government simultaneously, and whose influence on policy is equal to that of Congress or of the Senate.

In Great Britain, the constitutional basis, with the individual voting system, is quite different than in the other democracies, with proportional representation. There, the candidate who is personally superior usually wins, often without reference to his party affiliation. It is sufficient for a British candidate to win a relative majority of the votes cast.

Things are quite different with proportion representation, where a party, rather than a candidate, is elected. Austrian attempts to [word omitted] this system by giving the list of candidates on the reverse of the ballot, with the option of crossing off candidates or even adding a new candidate to the list, were discarded. But the orientation of campaigning toward the personality of the respective party chairmen does not take this fact into account.

Certainly success or failure in elections depends among other things on the chief functionaries of the parties; but in Austria, even constitutionally, it is the parties which campaign and are elected. But the real meaning of a political election is falsified by a significant reorientation toward the system of personal campaigning because what is at stake is the party programs, i.e. the setting of goals in a democratic state leadership (government and parliament).

That the SPÖ oriented its campaign exclusively toward the personality of its chairman was in fact an almost total concealment of its programmatic election goals. And more: if the campaign is oriented as strongly toward individuals as happened this time, then what is called the "chancellor's bonus" or "provincial government head's bonus" plays an exaggerated role.

Against a provincial head of government like Wallnoefer, to name only one example, the other Tyrolean parties have as little chance as the OeVP had against the federal chancellor. It would therefore be completely unjust if the voting result of 6 May were all to be laid at the door of Dr Taus. The responsibility must be shared by all who are in positions of responsibility!

The Difficulties of the OeVP Campaign

But 6 May proved something else too. The heart of the decision involved lay in areas which are not easy to make comprehensible to the great mass of citizens. A constantly increasing federal and budgetary deficit, worrisome figures in the balance of trade and payments, and also the postulate of greater economy in public enterprise, are at present the greatest problems to be considered in Austria, but do not touch the immediate way of life of the citizens directly--not yet!

But things that are measured in units of billions are almost incalculable for the citizen who has to get by on a four- or five-figure monthly salary. Most people react in these matters only to imaginable mathematical quantities. The cake for 17,000 schillings that was given to the general music director, Karl Boehm, on his 80th birthday moved people. But 300 billion schillings in debts lies beyond the power of imagination. Thus on this occasion the election propaganda position of the OeVP was an extraordinarily difficult one from the outset.

A further element presents itself. It is the strong sense of continuity of Austrian voters which greatly inhibits mobility in elections. Austrians are not very fond of change. Before an Austrian changes his mind on a problem a great deal has to happen, and these changes must affect him personally.

That the high federal and budgetary deficit will eventually hit us hard, because it is a well-known fact that debts have to be repaid, appears certain; but that is, as it was called in Roman law, a "dies certus an incertus quando," in translation: a day that will certainly come, but just does not happen to have come yet. Closely connected with this consciousness of continuity is a certain need for security. The average income situation of Austrians is good. The fact that they appear to be endangered in the future for the reasons stated has not yet been realized by 51 percent of the voters. So why make a political change now?

Structural Changes

One must not ignore structural changes in analyzing the result of 6 May. The shift in occupations among Austrians plays a role here which should not be underestimated. The radical reduction in numbers of the farming class and trade occupations and the increase in dependent workers are established facts. Now I do not believe that one can draw conclusions from that in the direction of a constant increase in socialist votes. The election results of 6 May themselves proved that the OeVP came off better in centers of population, i.e. in towns and larger municipalities--where there are more workers--than in rural municipalities where the numerical reduction in the farming class had a particularly strong effect.

The OeVP is not a workers party, but it can attract more and more working votes, which proves that it is not an axiom of Austrian domestic politics that every worker is also an SPÖ voter.

But the OeVP is also not an employers' party! It is only pursuing an economic policy which aims for the maintenance and encouragement of enterprises of all kinds because, regardless of all other aspects, this also in reality represents the policy of the only right kind of job security. Maintenance and encouragement of industry and trade and of free professions, after all, create the basis for positions for workers, just as great thriftiness in the national economy is one of the bases for full employment. That is why the campaign slogan of Dr Bruno Kreisky, "I worry more about a thousand unemployed than about a budget deficit," was really a false alternative; but this kind of thing is effective in elections!

Structural changes exist not only in the economic region; the time is long past when the only party for active Christians to vote for was the Christian Socialist Party. The complete withdrawal of the church from day-to-day politics, whatever reasons and necessities there were for it, took from the OeVP an electoral help which was once automatically based on one's view of life.

This is not meant as a criticism of the church's "policy"--there can be many different opinions about that--but simply as the observation of a fact. That in addition hostile remarks have come from a few leading functionaries of Catholic organizations should be mentioned in passing.

Is the Majority Seeking a Consensus?

In a democracy, where votes can only be counted, not weighed, the right to decide lies with the majority. No other arrangement would be possible. But the question of how the majority uses this right is a large one. And it is here that we must note with regret that the government party's consideration for what is, after all, 49 percent of the population--in other words, the other half--leaves much to be desired.

We saw this in the so-called "term solution" in 1973, but also in the Second Tax Law and other legalistic affairs. People like to talk about the so-called "consensus," which is supposedly always being sought by the majority. But if this consensus consists only of a willingness to negotiate, on the basis of which people are ready to make one or two concessions, but in the most significant points turn to the means of outvoting, then it loses credibility.

The propagandistic appeal to the fact that 80 percent of the laws in the representative assembly were passed unanimously is insufficient, for here one should weigh, rather than count. The question will be asked in the future very clearly: does it do an opposition party any good at all to show its willingness for consensus?

This question is very serious: if an opposition party's willingness for consensus leads only to new election defeats, it can hardly be justified. This statement is particularly difficult for an Austrian, who sees in the genuine cooperation of great political forces the form of government most suitable for Austria.

"Count in Magnanimity?"

It was stated in an Austrian weekly recently that magnanimity is now expected from the government party. That is a noble thought, but will probably come to grief in the face of political practice. Besides, it smells too much of alms and arouses suspicions of compensation deals in politics. There may well be situations--and they occurred with particular frequency at the time of the "Great Coalition"--where "do ut des" [I give so that you will give] was a legitimate method in individual cases. But there two political powers with very different programs, goals and interests shared a common responsibility. That is why it was legitimate that one partner should also take over the responsibility for a desire of the other party. It is a different matter with one-party governments.

In this legislative period, the OeVP will face the decision, essential to its existence, of how it is to shape its policy in these next four years with regard to the majority party. If we read here and there in worried commentaries that a radicalization of Austrian domestic politics is now to be expected, that is certainly within the realm of possibility. Certainly firmer tones must be expected from the OeVP than before, at least as regards party tactics.

I remember the first opposition speech which the opposition leader of the time, Kreisky, gave against the Klaus government in parliament. The speaker, pointing to the government bench, said approximately that this was a poor Austrian government--and this government had been in power for just 48 hours! But, as later events proved, these opposition tactics were clearly successful.

It must be remembered too that 49 percent of the voters are against the program of the majority party and its government. The commentaries on the election results sounded almost totally as though that 49 percent did not exist at all. They do exist! And the victors of 6 May 1979 must also take that into account.

A party which has had an unsuccessful election result will of course have to ask itself whether its program, but also its organization, should be changed or improved in order to achieve better results in future elections. The OeVP has already let it be known--rightly, I think--that there will be no change in the fundamentals of party policy. Obviously, this does not include adaptations to the requirements of day-to-day politics which are constantly becoming necessary.

But party leaders have also discussed organizational questions, and Dr Taus has resigned because his ideas were not realizable.

Characteristics of a People's Party

The opinion of the writer of these lines, who was there at the founding of the OeVP, should also be brought into the discussion. At that time we started from the idea that a party which wishes to be truly a people's party must have an organizational basis which takes all occupational groups into consideration. We must not forget the practical political fact that there are wide ranges of voters who only turn their sympathies to a party if they can expect that party to guard their occupational interests accordingly.

But since these occupational interests are very different, sometimes heterogeneous, a corresponding organizational basis within a people's party must be provided to represent them: hence the alliance structure of this people's party. Another important circumstance also plays a role.

If we analyze the tasks of a political party in legislation and administration, we can easily establish that more than 90 percent are economic and occupational matters. The other 10 percent concern things like cultural-political questions, foreign policy, etc. A people's party which does not take this fact into account in its organization would very soon lose its claim to earn votes from all occupational groups.

That the alliance organization is a difficult one is unquestionable. But considering what has been said, it is probably nonnegotiable. The principle of tight party leadership does not in any way interfere with this. Even in the coordination of heterogeneous occupational interests, a decision by party leaders on which solution is necessary in a given case will still be necessary. And that has always been accepted--though often after long and hard internal party discussions.

But the alliance structure is what has constantly put the OeVP in the position of finding the best possible solution. It also does no harm in the course of such a process of solution if the different interests of the occupational groups comprised by the OeVP are discussed publicly for once. That is not a sign of decay in the party, on the contrary--it is the proof that within the individual alliances--now they are called suborganizations--people are quite aware of where the shoe pinches individual occupational groups. The principle of coordination and of final recognition of a solution jointly arrived at is one of the foundations of a true people's party.

Let us return to where we began: the OeVP must begin today to win the elections of 1983, and the tactics designed to achieve this must determine its appearance in these next four years. Its proverbial state consciousness, which has taken precedence over considerations of election tactics from the very beginning, does not have to fade into the background.

In the end the voter honors the priority of the interests of the republic over those of a party when he makes his decision; but the two--unshakable state consciousness and party political tactics--can be united.

Central Value of State Consciousness

Organizational rigor and programmatic theories are bases for a future election success--and that must be especially emphasized--but do not guarantee it by any means. What is built up on a well-led organization and correct ideas must also be well sold to the citizens. The party must appropriate effective and universally comprehensible campaign tactics far more than has previously been the case.

Take an example from the economic sphere: the most well-organized production of a high-quality product still does not bring profits if selling it--that is, advertising--is not organized as well as possible.

But advertising for a political party means making its program and goals comprehensible. Even if this time, as explained above, it was extraordinarily difficult to make every single voter understand what was involved on 6 May, this can only be an assignment to do better next time. But next time begins today!

9337

CSO: 3103

ETHANOL PLANTS TO OPEN IN 1981

Zurich DIE WELTWOCHEN in German 11 Jul 79 p 8

[Article by Herbert Hacker: "The Neighbors Are Faster. Austria Plans 'Gasoline Additive' Factories"]

[Text] In Switzerland there is evidence of first thoughts (see "Energy Wood--Wood Gasoline" in DIE WELTWOCHEN, No 27), Austria is already taking action: by mid-1981 the first ethanol plant for the production of gasoline additives, probably from sugarbeets, is to become operational.

Effective 1982 the consumption of alcohol in Austria will rise precipitously. Austrians will then be consuming about 200 million more liters of spirits. In the carburetors of their automobiles. As an additive to gasoline. With a threefold effect: the saving of about 160,00 barrels of predominantly imported gasoline, the lowering of damage to the environment because of the lead content which is decreased by the additional alcohol, and the saving of imported feeds for agriculture, which will at the same time be acquiring a new job as a producer of energy.

The experts are still trying to figure how much this will save the alpine country's economy in foreign currencies. Such "calculations" will continue to be only an estimate for some time yet, because the computations must be made with too many unknowns. Apart from the fact that no one dares say how prices of fuel will look in 2 years, it is by no means certain today that the production of the gasoline additive ethanol is economically practical for both Austrian agricultural production conditions, which are largely subsidized, and for tax practices. The first rough estimates suggest a production cost that would be between 6 and 12 Austrian schillings per liter, depending on which subsidies are retained and which taxes might disappear, as for example, the brandy monopoly tax.

Nonetheless, the "production arm" of the farmers credit cooperatives is firmly determined to establish such an ethanol plant both in Upper Austria

and Styria. In any event, for the present, these plants could serve as the nucleus of agricultural model combines and these in turn as a showpiece for the sale of Austrian agricultural and machine construction knowhow to developing countries. The Ministry for Science, however, has already gone one step further. It fired the starting shot for a large-scale project which for the present is to clarify all aspects of the production of "fuel from biomass." However, together with the announcement of this research endeavor the ministry circulated calculations which, with a 5-percent admixture of ethanol, characterize as "appropriate" the building of production plants in Vienna, Lower Austria, Styria, Burgenland, Upper Austria and Carinthia.

What actually seems like dreams of the future is much more real than it appears. For, very quietly, the "Simmering Waste Disposal Plants" (EBS), a municipal enterprise which is supposed to operate a large purification plant in Vienna and special refuse removal for all of Austria, long ago called for bids for such a plant. EBS-boss Friedrich Huebl reports that "at least 20 companies, at least 7 countries, have received bid papers from us." In any case, we are dealing with a capital project of about 500 million Austrian schillings, which is designed for annual production of 75 million liters of pure alcohol. The boss of Austria's largest purification plant and refuse processing refused to talk about any figures because "at this time that would be very misleading." But that does not keep him from being convinced about this project: "It would be ideal if we approximate the price of gasoline, then no increase in price would be necessary with the additive. But I am certain that we can also export our product if necessary."

Super Distillery

At present super gasoline in Austria costs 7.8 Austrian schillings per liter, and the increase to 8.60 Austrian schillings is in the pipeline. That would mean that the EBS ethanol would have to flow from the super distillery at close to world market prices--at present, about 6 Austrian schillings per liter. And, according to Huebl's indications, that is not at all so improbable. By using sugarbeets to produce alcohol, about 60,000-65,000 tons of high-quality protein feed would be produced annually, which today is imported in the form of coarse soybean meal. The real production advantage of Vienna's EBS must be added to this "supplementary yield": the fuel distillery could be operated entirely on the waste heat that collects in huge amounts from refuse destruction and which otherwise must be destroyed with cooling towers.

Typical Roundabout Way

The EBS plant, according to Huebl, will "surely be in production by mid-1981." Until then, the domestic farmers, who are already discussing among themselves whether sugarbeets expressly planted for this purpose or excess grain and corn are to be processed, will have time to come to agreement on who will get the delivery opportunity. The agricultural policy can clarify by then what the decrease in the twice-subsidized feed grain surpluses is

worth to it. And the fiscal policy could in the meantime seek the best way to save foreign currencies and subsidies on the one hand, and not have to give up too many sources of tax revenue on the other hand.

If there is awareness in all these points, then using the extremely popular "environmental reasons," the government need only order the decrease in the lead content of gasoline and the age of ethanol can begin in Austria. It is inherently Austrian that this will be done in the roundabout way of "environmental protection." For the ethanol wave is likewise only indirectly a domestic invention. It was triggered by a UNIDO [United Nations Industrial Development Organization] seminar on ethanol production, in which, of course, an Austrian company with the reputation of a pioneer in this sector participated, but which really had as its goal making energy worries easier for developing countries and not for an industrial country.

12124

CSO: 3103

AUSTRIA, CSSR PLAN JOINT DANUBE POWER PLANT

Vienna DIE PRESSE in German 22 Jun 79 p 20

[Report by Erich Hoorn]

[Text] Cooperation in the area of mining machinery for underground and strip mining is at hand between the Alpine United Austrian Iron and Steel Works, Inc. and the Czechoslovak companies Vitkovické Zelezárny and Ostrožná. The Czechoslovaks have submitted appropriate specific recommendations to the Austrian steel combine. Czechoslovak Minister of Fuels and Power Vlastimil Ehrenberger stated in an interview with DIE PRESSE that the joint Austro-Czechoslovak Pressburg-Wolfsthal Danube power plant, which had been filed away in the sixties, is also under discussion again.

During his visit at the beginning of this week he also negotiated with Minister Staribacher about the exchange of electric current between the two countries; however, these negotiations come to naught every year. Czechoslovakia, according to Ehrenberger's comments, wants to continue delivering more than a million tons of coal and coke to Austria in the future. The transit of Polish electricity across the CSSR to Austria has already been assured: effective 1 September 1983, 400 MW will be supplied. However, should this amount be increased, new lines would have to be put up. Ehrenberger said that this would have to be negotiated by all three countries involved.

At present Czechoslovakia is jointly building with Hungary the Gabčíkovo-Nagymaros Danube power plant with a capacity of 728 MW in Gabčíkovo and 146 MW in Nagymaros. The CSSR would like to complete this project before the joint construction of the Pressburg-Wolfsthal Danube power plant. At present, however, there are still no concrete plans.

Ehrenberger also commented on the energy situation in his country. He underscored the fact that at present the CSSR has to pursue the following three paths in solving the energy-supply situation: first, there is maximum utilization of the domestic energy basis, although this is expensive and coal must often be mined at depths of more than 1,000 m. Peat and lignite are being used to an increasing extent. Second, nuclear power is to be

expanded on an accelerated basis. In 1990 there is to be a capacity of 9,000-10,000 MW available in the nuclear power plants which can meet 30 percent of the domestic electric power requirements. Third, all production is to be rationalized so that as little energy as possible is consumed. Also, production branches which use little energy are to be promoted. To date, for example, the country has been expanding the steel industry in a particularly intensive manner.

Energy must also be saved in household.. For this purpose remote heating systems will be greatly expanded. Also, nuclear-powered remote heating plants and nuclear power plants, which also supply overland heating, will be built. Outdated caloric power plants will be converted to remote heating plants. For example, this is how Melnik, which is 35 km from the capital city Prague, will be supplied with overland heating.

The CSSR is presently building two last big caloric power plants with 1,000 and 500 MW, respectively. That is the end of the expansion of caloric power plants which are on a coal basis.

12124

CSO: 3103

MARTENS SPEAKS OUT ON DOMESTIC, EC PROBLEMS

Brussels KNACK in Dutch 27 Jun 79 pp 12-16

[Report on interview with Prime Minister Wilfried Martens by F.V.: "Conversation with Prime Minister Martens: 'Belgium Is a Formidable Country'"]

[Text] Finally Prime Minister Martens has a radio receiver in his pocket and now he is much more at ease. He can be beeped by the eight highest authorities of the country over the entire Benelux area, in case the Belgians should become the victim of an earthquake in Yugoslavia. From now on he can phone directly to say what ought to be done and that already gives a lot less worry. At home also there is again some order and clarity on the course of events. The prime minister did not want to move away from the city of Ghent in order to hide somewhere in the countryside, but he has fixed up his backyard a little and has had a goldfish pond put in. His son, after that serious traffic accident last summer, has completely recovered. His wife is finishing up her term as a teacher, for she wanted to complete the schoolyear. And on a first question on the matter at hand, Martens answers that his government is radiant with good health.

(This Week on the Cover)

Wilfried Martens: In fact you are arriving a week too early to talk. For on 2 July something important is happening for our social-economic relations. Then the government will announce its draft statement, its orientation note in connection with the social debate which we have started, as indicated by the government's policy statement, and which should lead to a signed text in the fall. It concerns our industry, the short work week and other such matters.

But meanwhile important decisions are already being made every week. The country has a government once again, which it needs like a body needs a heart. The cabinet takes the place of that vital function, it is an iron lung after a painful period in which it was not even evident any longer whether a viable Belgium government could be formed at all.

Thus now a good team has come, imbued with the desire to do something. I also know that in practically all government parties tensions exist, and questions on the future. But they do not penetrate the cabinet council. Among the ministers the scars of the crisis year just past are healing. Everyone is willing to stick out his neck, because he knows we cover each other by /consensus/ [in italics] and that we also come out as a team. Everyone explains his own dossiers at the briefings for the press after the council of ministers. And everyone realizes that hard work is being done, that everything is brought out which had been neglected during that long period of unstable government. With the reform of the state we are exactly where we should be according to plan. The rebuilding of a great social accord is taking place. Control on day to day state expenditures has succeeded fairly well. Preparations for the big energy debate in parliament have been practically completed. This summer we can start on the 1980 budget. People no longer have to fear that their country is losing its way. On the contrary, it is renewing itself.

[Question] Still, there is agitation in party politics. The Walloon socialists have a problem of leadership. The FDF [Francophone Democratic Front] is persistent with respect to expansion of the capital area. The PSC [Social Christian Party] has to devote discreet meetings to its internal division of influence. And the CVP [(Flemish) Social Christian Party] is watching, still shattered, the European score of Leo Tindemans who announces he will continue to engage in domestic politics.

Martens: It is normal that after everything that has happened the political personnel should purify and refresh itself. But our desire to preserve an elementary political stability is unusually strong. /That covers a lot more than one thinks/ [in italics]. And we are served by the chosen procedure to bring the delicate work of the state reform to a good end. Fortunately we have not had to draw up a completely detailed reform plan, as was asked by the francophones during the formation deliberation, before being able to start our constitutional work. We have concluded a limited accord on the immediate phase in which the executive power in Belgium is re-divided over the regions and communes. We are drawing up plans for the second phase, in which the legislative power will be modernized. And then we shall wait for the more distant future which either will or will not have to furnish us with entirely renewed institutions, with directly elected regional parliaments. The plan to work in three stages is taking effect. The immediate phase which can be put into practice in the new year after parliamentary approval, is extremely important in its significance and substance. In the country this reform will perhaps be best noticeable. It actually comes down to an unusually appropriate adaptation of the Perin-Vandekerckhove law which in 1974 regulated the temporary regionalization. Now we are farther than at that time: of the 10 domains which could be regulated on a regional level until now, we have removed 3 and transferred them to the communes (the people-related matters). Because of that, Brussels is a third "federal state" to a much lesser degree than Flanders or Wallonia. For, in our adaptation of the Perin law we have opted for the asymmetrical model.

In it the Flemish regional- and communal executives merge, while the francophones retain two executives: the Walloon executive, and the executive of the French-speaking community. The Brussels regional executive functions next to that.

Parallel to that we have established four new departments and are fully engaged in providing those with the proper services by 1 January. Around October the government will be able to say exactly which services from the national departments will be transferred to the domain of Rika De Backer, Leon Defosset, Jean-Maurice Dehousse and Michel Hansenne. Professional interests of civil servants are a concern also, and thus we are discussing those at present with the unions.

For the participation of the Flemish in the government in Brussels we have something else now instead of the so-called parity according to the Perin law. In the capital executive at least one member of both communities must be seated, provided with two secretaries of state, and that executive can make unanimous decisions only. All of that takes place within the 19 Brussels communes and not outside of those. Later we can start to work with an investigative commission, composed of equal numbers, which will be established in order to determine where there are possible government problems due to important language minorities or even -majorities in a region with a different language. But not a single measure can come from that commission without the agreement of the Flemish or francophones.

[Question] How long will the FDF be able to bear the non-fulfillment of its ambitions?

Martens: This party has accepted all the stipulations of the government accord.

[Question] What would you like best -- that the four executives operate within or outside of the national government?

Martens: The transitional phase starts on 1 January 1980 and lasts until the definite reform. In that period it is technically preferable that they remain within the national government. But the great difficulty of the formation deliberation -- the double political responsibility -- continues to demand a solution in every respect. At this moment the executives are responsible only to the national parliament. But as of the new year they are also responsible to their regional- or communal council. If there they incur a sanction, thus are rejected on one item of policy or another, then what consequences does that have for the national cabinet? We do not have a definite formula yet. For example: if a regional assembly approves a motion or resolution of no-confidence against its executive, then a waiting period should start in which the executive can modify its policy and meanwhile it remains under national guardianship on that point.

[Question] The Council of State has already formulated objections against the government bill on the second phase, in particular as to the asymmetrical operation of the councils.

Martens: The government is to submit /two/ [in italics] bills to the Council of State. One contains stipulations which need a special parliamentary majority, such as the one on that asymmetry. The council has already answered that, and we shall have to adjust ourselves to its remarks, or find a correct constitutional answer for it. The second bill, with reforms which require only an ordinary majority, will go to the council this week.

[Question] Is the asymmetry, with one communal council for Flanders and two councils for the francophones, necessary to have the state reform succeed?

Martens: It is not, but it can function perfectly the way it is. The fusing of the Flemish communal- and regional council is an attainment in all respects. What the francophones want is their own business, but I note that on that side the desire to bring everything together in one council is increasing. The theses of Perin are known and there is a clear evolution in that direction by the PSC. Naturally there is also Walloon fear for weakening of individual integrity, if Brussels has to be taken along also.

[Question] Is it still possible to turn back or stop the state reform?

Martens: Not the immediate phase, this clever correction on regional formation according to the Perin-Vandekerckhove model will pass. The repercussion of that on the budget and on the administration is greater than 90 percent of the public thinks. Already now there are inspectors of finances who work exclusively for the regional budgets. And even without any communal conflict of interest, the current government structure would already be an excellent thing. We now have 17 ministers with a national- and 15 with a regional- or communal commission. That in itself is already an excellent division of tasks. How could a national government do as much work, if they had to take in addition the matters which are now taken care of separately by the executives?

What does a work week for the government look like? On Monday morning the prime minister delivers a report at the palace. Most of his colleagues meanwhile go to their party offices. In the afternoon, or sometimes on Tuesday morning, there is a key cabinet meeting. On Tuesday and Wednesday various specialized committees of ministers meet. Meanwhile, and also on Thursday, there are parliamentary commissions or the public meeting where the members of cabinet have to be present. On Thursday there is a completely socio-economic key cabinet meeting. On Friday the cabinet council. Thus everything is crammed full and branching off to the regional government is simply proof of good management.

[Question] Will that become visible also geographically now? Will we get large office buildings with regional civil servants in, for example, Mechelen or Namur?

Martens: The executives will have to settle that themselves. They get their budgets and their organization. How they approach it territorially they have to discuss with the unions, for example.

[Question] Lately there has been considerable distrust on the question whether the state reform will not get stuck in the temporary phase and later, when the Walloons have what they want, will not mature further into real federalism.

Martens: I also note that on the Flemish side, after the capturing of the cultural autonomy in 1971, the options on definite state reform are in motion. Some years ago the Flemish Movement was still driving all political parties toward the most radical reforms, up to and including the directly elected regional parliaments and the practically complete autonomy of the "federalist" governments. I sometimes sense intuitively that this desire is no longer as strong. I await the evolution with a keen interest. But in no respect does it have any influence on the state reform as it is determined in the government program today.

[Question] Another reform, and not a very small one at that, would be the legislative government for which you often plead. Thus a government which, normally speaking, can assuredly finish up its 4 years.

Martens: The current cabinet would like to have a draft text on that still before the vacation. Both the government and the big advocates of parliamentary renewal (I am thinking of Verroken) would indeed very much like to have such a formula. For these days we have too many government crises, even now that parliament always has to debate timidly because it risks a cabinet disbandment without really wanting it. A reform in the matter is a very delicate job however.

In our present constitutional balance the king appoints the government, but the latter cannot work without acquiring and preserving the parliamentary investiture. In our constitutional common law, parliament can dismiss the government by a motion of no-confidence, thus induce the king to fire his ministers. On the other hand, a government which comes into conflict with parliament can also disband the latter at any moment in order to have the conflict settled by the population.

He who now pleads for a /stable/ [in italics] government, which can be dismissed only after parliament has presented an alternative majority, faces the problem: can the government still continue to disband parliament at its own discretion, like today? In other words: then how does one restore the balance by which both powers can keep each other under the same pressure? For in a stable system the government does not get into difficulties (not even a rejected minister necessarily) when for example a budget is rejected. If parliament nevertheless becomes too troublesome, the government can dismiss it. How is a new balance conceived? How is the principle built in that the king has the right to disband parliament according to article 71

of the constitution? All that is at issue. We do not have a precise plan yet. I need some time to be able to submit a proposal in the direction of a legislative cabinet as well as a legislative parliament before the next parliamentary year.

[Question] You must not work on the institutions only. An almost forgotten political charge exists also: promoting social progress. We hear little on that. The order of the day is one great national sympathizing with companies.

Martens: The government accord, look at the government accord. In it considerable betterment for workers is provided. A plan has been added to it, to which reference is made, to shorten the work week and create new jobs, on the condition of moderating incomes. That plan cannot either be taken or neglected, nor be carried out, thus is stated literally, without the agreement of the employers and the unions. We are negotiating on that. In any event it is stipulated that people with a low income and those who perform heavy or dangerous work will not have to fall under the income curbing.

The economic background however is there likewise: around 1/3 of our working population works less than 40 hours a week and the least of all European countries. Also, in the EC and in the world we are a top-wage country, be it with the best output per worker. It is true that our income level is comparable to that of the FRG, the Netherlands, Sweden and Switzerland, but it is far above that of France and the United Kingdom. Our balance of trade is healthy for the traditional, but tomorrow perhaps somewhat antiquated products. It is negative for new, promising products. Last year we paid altogether 135 billion [Belgian francs] for our imported energy. Those are all numbers which may count. The fact that this cabinet has a doctrine in which there is room for the shorter work week, is not so obvious and requires a lot of imagination. Abroad that is not even understood too well, and lately I have had to explain to some government leaders of our large neighboring countries where precisely we want to go.

President Giscard does have some understanding for the truth that it is precisely the people doing the most difficult and hardest work who also put in the greatest number of hours. But I have to make clear to people like him, possibly with the help of our diplomats, that the Belgian work week decrease must become a component of a general package of measures such as easing some industrial costs and a guided recruitment policy.

They also do not know everywhere abroad that we have over 8 percent unemployment and a very mild degree of inflation of around 4 percent. Belgium thus is not entering some form of cultural decline by proposing the short work week but in the syndical action around that theme it may very well avoid a chaotic falling off in industry itself.

[Question] Abroad the strength of our franc is also starting to be judged.

Martens: At the past summit in Strasbourg we were /praised/ [in italics] for our monetary policy. Other countries know that we stand firmly in the defense of our franc. And it also knows very well that we entered the European Monetary System with a rather high quotation, which brings along tensions, and also that our temporary deficit pending (8 percent of the Belgian national product) is on the high side. Other countries keep to 5 percent and according to Helmut Schmidt even 3.5 percent is already too much. Thus the government pays more attention than ever to watching over the budget. And that can succeed very well, because the public mentality to bring more discipline into life is becoming stronger under the influence of the economic depression.

[Question] There are still a few other dangers which threaten a smooth existence of your cabinet. Have the European elections not been a shock wave?

Martens: In no way. Our people have been able to vote quietly and spontaneously for the European dimension. They were able to abstract any sort of big domestic problem. They knew that there was a government, that their country is being led. They could let themselves be addressed by the big ideologies. And over all of Europe they have sensed the soundness of the christian-democratic substance. That did not necessarily have to do with individuals, for in the Netherlands the CDA [Christian Democratic Appeal] achieved an excellent result with the relatively unknown primary candidate Beumer. All of that was related to an effort, maintained for many years, to organize the christian democracy on a European scale. We started with that in September 1975. Great despondency dominated our ranks at that time, for the KD [Christian Democracy] had been everywhere in electoral decay for already 15 years. The Germans did not even want anything to do with a separate Christian Democratic profile. They wanted to collect in one movement anything that was anti-socialist. Fortunately we have been able to halt that and look at the miracle now. The Christian Democratic success is not a flash in the pan, it is a European political asset.

And /domestically/ [in italics] also we have been able to organize those elections nicely. The fear that the non-splitting of the Brussels-Halle-Vilvoorde district would have caused a riot of francophone votes up to the gates of Mechelen, did not even materialize. Outside of the 19 Brussels communes hardly anyone voted for a French list.

[Question] Is there a danger of disturbance on the school-peace front?

Martens: The former government was already stuck with a dispute which was not settled: execution of the 1973- and 1975 laws on rationalization, releasing school funds (thus the permission to contract loans for the school infrastructure) and the council for pluralist education. Those three points are now being examined and unraveled in the cabinets. The intention is to propose an accord to the school pact commission around October so that still this year a solution is reached.

[Question] There is also the energy problem. Minister Claes "promises" that a liter of gasoline will not cost 30 francs next year. Can a government survive the radical change which is presenting itself so rapidly?

Martens: By 6 July the minister of economic affairs will submit his options to parliament. Thus it can start debating right after the vacation.

[Question] Without a lot of elbow room, for in Strasbourg you co-signed the plea in favor of nuclear energy?

Martens: In Strasbourg nothing was recorded which was not already recorded in Belgium. So far we have executed a nuclear program which furnishes 1400 megawatts. Under construction, irrevocably, are 5,000 megawatts which altogether will comprise half of our energy supply. Two questions remain for parliament, and they are essential: will we go still further with nuclear power, and what are we going to do with the reprocessing of our nuclear waste? There parliament will face an enormous choice, and I am going to prove with facts that the dialogue between the government and a parliament can be up to measure in those big matters. Thus that we will make political choices in problems such as that of burning fossil materials in the atmosphere such as coal and oil, by which the temperature of the earth increases and more and more desert-forming occurs. Also a Belgian government and a Belgian parliament can reflect and talk on problems of that stature in a manner which benefits the world.

Thus far I have had only good experiences with the parliament with which I consult, for which I move myself and where I am present. I have the feeling that our institutions have absolutely not become useless yet in pulling a /formidable/ [in italics] country like Belgium through a period like ours with an open economy and culture. Today matters are turning over quietly under the pressure of modest but hard government work. The country is breathing.

[Question] The European summit in Strasbourg appears to have given inspiration?

Martens: Experts feared a meager result, but I found it a good council over there. Clearly, very clearly, a perceptible, almost palpable care exists in starting to develop a true European policy. And we are allowed to participate in it, although for some time we were in the black book. They are very well acquainted with the lengthy Belgian crisis, and I have had to thoroughly explain the causes of it. I have had to demonstrate how the democratic decision-making process will be restored again in Belgium, in order to be able once again to take care of a number of vital points. Belgium has had a good reputation as an industrial nation since World War II. Our social deliberation model is only now being looked at with great interest and borrowed by the others. And they appreciate any politician who is able to solve our communal problem as a true statesman, for they do not like such a thing to drag on in a partner country that is always experiencing such incomprehensible crises.

YOUTH GROUPS CRITICIZE NUP GOVERNMENT

Nicosia HALKIN SESI in Turkish 29 Jul 79 p 7

[Text] The DGD [Revolutionary Youth Association] and the KOGEF [Cypriots' Education and Youth Federation], which failed to receive governmental permission to participate in the Eighth Pan-Cypriot Student and Youth Festival, organized by the EDON [United Democratic Youth Organization of Greek Cypriots], yesterday issued a communique critical of the NUP [National Unity Party] government. The text of the communique follows.

"Our Cyprus is living in critical days. Efforts of imperialism to transform our island into a NATO base, a springboard, have not been abandoned. It is no secret that the United States is planning to base on Cyprus its 110,000-man blitzkrieg force [in boldface], specially trained to seize Arab peoples' national wealth, the oil. It is said that weapons and supplies have been already transported to the bases.

"In the northern sector of our island, unemployment, rising prices, emigration and misery are running rampant. Thousands of our youths are without work. Exorbitant prices are like poisonous daggers plunged into the hearts of our mothers and fathers. Families, as well as youths, are emigrating from northern Cyprus.

"Our young friends, our hard-working, patriotic people,

"We must stand up against imperialism's designs on our island. Imperialism is turning our island into a powder keg. We must get imperialism out of our island; we must break up its schemes for the sake of Cyprus's future and people.

"We must wage an active fight against unemployment, high prices and the exodus. The monster of unemployment and rising prices will drag us to the edge of deprivation, should we remain passive before it.

"Our struggle against imperialism, unemployment, rising prices and emigration demands the solution of the Cyprus problem by the establishment of just and lasting /peace/ [in boldface]. There is no way to put an end to imperialism's schemes or the economic issues--unemployment and others--unless the Cyprus problem is brought to a peaceful conclusion.

"The Turkish community cannot on its own drive imperialism off the island and build a lasting and just peace. Cypriots must solve the Cyprus problem together. They must unite against imperialism. The Cyprus problem is the problem of everyone living on Cyprus. We will find ourselves in a hopeless situation if we lose sight of this truth.

"Our hard-working, patriotic people,

"Fully aware of this fact, the EDON, the organization of the youths in southern Cyprus, invited the DGD and KOGEF of the northern Cyprus to the Student and Youth Festival it has arranged in Limassol. Our organizations requested, in good faith, permission from the government to attend the festival, but the NUP government was adamant in its refusal to grant permission, thereby denying Cypriot youths the opportunity to get together and discuss youth problems and the Cyprus issue.

"The NUP government does not want the labor unions and the mass organizations of the two communities to come together and talk to each other. What could not be achieved in intercommunal talks was achieved by the DEV-IS [Federation of Revolutionary Workers' Unions of Cyprus] and PEO [Pan-Cyprian Labor Federation]. They took steps that will benefit all Cypriots. The Denktas administration refuses to acknowledge this. The NUP does not want other organizations to add to the achievements of the DEV-IS and PEO.

"Our hard-working, patriotic people,

"To resolve the Cyprus problem, we must undertake reciprocal efforts to ease the tension between the two communities and replace the tense relationship with detente and trust. Achievement of this goal requires that organizations from both communities get together and talk. Opponents of improved relations and mutual trust are the reactionaries and fascists in the two communities, and in our case, the NUP government which refuses to grant our request.

"Officials of the NUP government refused to receive and talk to us despite our repeated requests. They did not give an official explanation of why permission was not granted. They exerted pressure on the press to keep the issue from the public, and they forced the press to publish antipeace and anticommunism articles penned by hirelings. Their attitude demonstrates that they disregard our community's desire for /peace/ [in boldface], that they undermine peaceful initiatives and that they consider the continuation of the problem, instead of its solution, in their interest.

"We, the young people, want /peace/ [in boldface], not new battles. We will not be deterred from our struggle for /peace/ [in boldface], regardless of coercive and obstructive efforts."

COLUMNIST CITES DRAWBACKS OF USING TURKISH CURRENCY

Nicosia HALKIN SESI in Turkish 22 Jul 79 p 6

[Article by Ayhan Kaymak: "Economic 'Freedom': Monetary Problems"]

[Text] The impasse in the political field unavoidably led to the adoption of the Turkish lira as the local currency in northern Cyprus. The lira is the monetary unit of the Republic of Turkey. The Republic of Turkey, naturally, bases its fiscal and budgetary policies on its own currency. If these policies prove to be unproductive, internal pressures and foreign relations oblige the government of the Turkish Republic to rewrite and reorient these policies, as recent events demonstrated.

The disadvantages of using the Turkish lira as the local currency in [northern] Cyprus have become all too obvious over time. The government of the Turkish Republic took several measures to bring stability to its economy. All those measures were monetary. Internally, emission and credit were tightened, even rolled back to keep the volume down, to battle inflation. Externally, devaluation and various foreign exchange controls were adopted to protect the lira. All these measures are designed to give Turkey time to step back, reduce the heat, and then, to dig in and take a breather in order to replenish the nation's strength. These steps that Turkey has taken impacted Cyprus because the Turkish currency is the valid currency here on Cyprus also.

Money is the most powerful control mechanism in an economy. Since Cyprus does not have a monetary unit of its own, it will be in our best interest to learn about the Turkish currency and to try to keep in step with the Turkish economy. As long as the necessity to use the Turkish currency is with us, we cannot talk of "freedom" in monetary policies. Here are the reasons why:

a) When you borrow an item, you can use it only in the manner its owner permits you to. The Turkish money is "on loan" here. We tend to forget that fact now and then. We cannot avoid feeling the reverberations of developments in Turkey while this monetary relationship continues.

b) Cyprus cannot implement a monetary policy of its own. It does not have a currency; consequently, it cannot put money into circulation.

c) Establishing a "central bank" will have limited economic benefits. The bank, since it cannot issue money, will have to limit its function to controlling credit. If credit control is the only issue, the Ministry of Finance can do it by following a more aggressive policy. A central bank will but add yet another link to the long bureaucratic chain. Establishment of a central bank is a simplistic answer offered by people who do not fully understand the problem. A central bank will not deliver the Ministry of Finance from its incapacitated position. Any improvement in the situation on Cyprus is contingent on our somehow falling in step with the Turkish lira. To put it in another way, the solution is not in "freedom," but in forming an intelligent dependence.

d) Turkey, itself in a tight foreign exchange bottleneck, will not agree to a practice on Cyprus unlike the one it is following at home. If it agreed, it would worry that the measures it has taken may not produce the desired effects at home.

e) Whatever happens to the Turkish lira will happen to Cyprus also. "Freedom" in monetary policy will have to be shelved as long as the Turkish currency remains as the only yardstick of the economy.

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CSO: 4907

COALITION PARTNERS EXPECT GOVERNMENT TO LAST UNTIL ELECTIONS

Copenhagen INFORMATION in Danish 1 Aug 79 p 5

[Text] Anker Jorgensen and Anders Andersen unanimously state that a parliamentary election now will not solve any problems.

"I hope and believe that the Social Democrat-Liberal government will also management to celebrate its second anniversary. Of course, one must in spite of all say that last year has offered greater political stability than we knew previously during the minority government. I therefore believe in a 2-year anniversary for the Social Democrat-Liberal government."

This is what Prime Minister Anker Jorgensen said in an interview with FREDERIKSBORGS AMTSAVIS yesterday.

"I hope we will not have parliamentary elections before toward the end of the normal election period, which, of course, expires in February of 1981. It would be very advantageous if we for once could work through an entire election period," says Anker Jorgensen.

Minister of Taxation Andres Andersen expresses the same attitude in KRISTELIGT DAGBLAD: Anders Andersen believes that the Social Democrat-Liberal government will last for the rest of the election period.

"Of course, there is no alternative, and an election does not solve any problems either. I may add that I believe the will to solve the problems is present in both parties--in spite of the so-called 'summer discussion,'" says Anders Andersen.

In FREDERIKSBORG AMTSAVIS Anker Jorgensen also says:

"Apparently the results of the Social Democrat-Liberal Government are not great. Unemployment may be lower, but it is still too high. And the balance of payments deficit has not gone down--on the contrary, it has become larger.

"But I am quite sure that the situation would have been worse and more difficult under a minority government. I believe a minority government would not have been able to pull through at all, and we would have had a

parliamentary election. An election might possibly have been a party-political advantage to the Social Democrats, but would hardly have given a parliament which it would have been easier to work with."

The High-Cost-of-Living Regulations

[Question] Isn't it strange that when the Danish society becomes poorer because oil prices are rising, then this poverty is compensated for by giving compensation for the increases via the price index wage regulation?

[Answer] "I would also find it strange if we had a system where full coverage were given for the large increases in oil prices, but, of course, this does not happen. The price index regulation gives half coverage--with a large delay--and the taxes are of course not included in the price index, so they are not covered.

"In the opinion of the Social Democrats it would therefore not be sensible or socially correct to decrease the price index regulation. In addition comes the fact that we have just passed legislation on the agreement. So we cannot tamper with the wages shortly afterwards again if the government's credibility is to be maintained."

The Savings

"But let me emphasize: there will be a decrease in real wages unless the employers supplement the wages and thus give full compensation for the increases in oil prices. Something like that would not be good."

"About the saving it must be said that it is hardly possible to completely accept some areas, but the Social Democrats say no to actual reductions in the social sector. We are ready to look at stragglers, on areas, where the development has run away and in areas where one possibly with a little extravagance gives services to people who don't need them.

"Our defense and help to underdeveloped countries are not included in the framework savings, but it is difficult to exempt them if we are going to reach the established amount for the savings."

About the Danish Federation of Trade Unions' demands for a start on the economic democracy, Anker Jorgensen says, for one thing:

"I can never understand that in the population--and even among the employers--there is no understanding for a collective fund, which will generate additional capital for the economy and capital which would otherwise have been used for wages and consumption.

"In the Social Democracy we recognize the political situation around these subjects, but we also want to point out our basic point of view--which others also have done and keep doing."

To a question about continued government collaboration with the Liberals after an election when the period has expired, Anker Jorgensen replies, for one thing:

"But if the Social Democrats and the Liberals succeed both in holding together and in solving the problems better than would otherwise have been the case, then there will be a need for cooperation between the two parties after an election. But before the election one cannot say whether it will be a government cooperation, and certainly not now--many months before the election we are talking about."

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CSO: 3106

LIBERALS PREPARE FOR ECONOMIC TALKS WITH SOCIAL DEMOCRATS

Copenhagen INFORMATION in Danish 1 Aug 79 pp 1, 12

[Article: "The Liberal Group Kept a Low Profile in the Meeting on the Faeroe Islands"]

[Text] The Liberal group is waiting for the first government negotiations before it comes with a concrete proposal for saving.

In its meeting on the Faeroe Islands yesterday the Liberal parliamentary group assumed a wait-and-see attitude to the coming negotiations about the government's economic policy with the Social Democracy. According to the group's secretary, Poul Anker Olsen, the expected actual presentation of the Liberals' demand for complying with the outlines for savings which the Social Democrat-Liberal government has passed for the national and the municipal budgets was not presented.

The prevailing attitude in the group meeting was, according to Poul Anker Olsen, that one wants to wait for the first negotiations with the Social Democrats in order to see where the two government parties stand with respect to each other. The Liberals' parliamentary group will then discuss the course of these negotiations in view of the Liberals' political wishes on its meetings in September.

Bleak Prospects

"The management of the parliamentary group presented a statement on the economic policy, which generally says that one should now carry out the national and municipal savings one has agreed upon. The so-called young lions are continuing to work on their announced presentation for savings proposals, but it will not be available until later on."

[Question] There is no further specification of where the Liberals want to save?

[Answer] "It will first be negotiated with the Social Democrats during September.

"But it must be emphasized that Anders Andersen in this connection gave a report on the economic situation which was very bleak. Anders Andersen generally agrees with the latest economic reports from various banks. He believes that the deficit in the balance of payment this year will be 12 billion Danish kroner as compared to the 10 billion Danish kroner which had been estimated in the agreement this spring. It is twice as high as the goal which was accepted at Marienborg."

[Question] Was the policy which the Social Democrat-Liberal government has conducted discussed critically in the group meeting?

[Answer] "The prevailing attitude among the approximately 15 who spoke was that the Liberals now must negotiate with the Social Democrats. The question about how far the Liberals can get with their policy, this one agreed not to take a position on until the negotiations had proceeded further."

Nothing Concrete

In a statement from the Liberals' traditional summer group meeting, which this year was held on the Faeroe Islands, it says, for one thing, that the development of the economic policy assumes a will for continued political collaboration even across traditional, political and systematic demarcation lines. This is what the Liberals' parliamentary group expects, according to the report.

In the statement from the parliamentary group, improving the competitive position of the companies is included as a central point, but it is not specified how the Liberals want the improvement to be carried out. Henning Christophersen said that there were two ways out and that the Liberals prefer a reduction in the price index rather than an indirect cost-reducing policy in the form of combined savings and tax increases in public offices.

The Liberal chairman, Secretary of State Henning Christophersen, stated in a press meeting in Vagar on the Faeroe Islands that this type of an improvement in the competitive position can be carried out in the most sensible way and most effectively by keeping the rising oil prices and their derived effects on the price formation outside the price index.

Three High-Cost-of-Living Wage Increases

The Liberals' group meeting also discussed the situation where three high-cost-of-living wage increases are released this fall and three in the spring as compared to the two expected for the fall and the two expected in the spring.

"If that becomes the case, what is to be done must be taken up for negotiation in the government. One must not just pay out three high-cost-of-living wage increases," says Poul Anker Olsen.

With respect to the frozen-in high-cost-of-living wage increases in the General Supplementary Pension System, the Liberals want to await the presentation from the management of the General Supplementary Pension System fund.

The Liberals do not believe that there is much disagreement about what the money should be used for, namely pension purposes. What gives cause for discussion is whether it is the Danish Federation of Trade Unions alone which will administer the money until it is to be paid out in pensions or whether the money is to be administered by the General Supplementary Pension System fund.

Poul Schluter

The Liberals agree with Poul Schluter, chairman of the Conservative Party, who told the stock exchange yesterday that the five parties which agreed about freezing the high-cost-of-living wage increases as a stage in the first August agreement in 1976 should agree if the General Supplementary Pension System fund is not the one which will administer the money.

"The General Supplementary Pension System Law of August 1976 says that the high-cost-of-living wage increases paid by the state are to be administered together with the other General Supplementary Pension System funds, and only an agreement between the coalition parties from August 1976, namely the Social Democrats, Conservatives, Radicals, Center Democrats and the Christian People's Party can change these relationships.

"Minister of Labor Svend Aude has confirmed this to me in writing and orally as late as in March of this year," says Poul Schluter.

"The discussion in the past couple of days has therefore been completely superfluous since the Conservatives certainly will make sure that the General Supplementary Pension System funds involved will not be the start of an economic democracy arrangement controlled and dictated by the Danish Federation of Trade Unions."

This is what Poul Schluter says, and the Liberals declared that they agreed. The Liberal Chairman Henning Christophersen yesterday also rejected categorically to the Radio News Service any form of a central fund controlled by the Danish Federation of Trade Unions.

The Liberal parliamentary group also discussed the government's energy policy in its meeting.

The statement which was the result of the discussions is, for one thing, a presentation for the full employment plan which is to be completed during August. The Social Democrats and the Liberals this spring agreed that 13 billion Danish kroner which had not been used in Full Employment Plan II, which expires in 1980, will be used for employment purposes.

It is the Liberals' presentation that the money, for one thing, should be used to support the industry, which the party believes will help the employment. At the same time there should be goals which help save energy.

The Liberals are presenting a series of concrete proposals, such as continued development of process energy in industry, trade, agriculture and horticulture.

Installations for straw and industrial refuse which create energy, transmission lines with a view toward exhaust heat, insulation of remote heat installations, loans for energy-saving measures in private residences, etc.

The Liberals' parliamentary group also agreed to ask Minister of Trade Arne Christiansen to initiate negotiations with Danish Underground Consortium about the possibilities for and the profitability of establishing a pipeline to one of more Danish refineries from the Danish oil fields.

In the press meeting in Vagar after the group meeting, Minister of Trade Arne Christiansen said that a pipeline of this type would provide great security for Denmark's supplies. The oil could be brought ashore independently of the weather, and one would also have assurance that the oil would be brought ashore in Denmark.

Finally it becomes possible to impose a transport tax on the oil, and according to calculations by an American consultant company it will make it possible to get a profit of 20-40 percent on the investment.

8958

CSO: 3106

1979 LIKELY TO BE RECORD YEAR FOR WILDCAT STRIKES

Copenhagen BERLINGSKE TIDENDE in Danish 2 Aug 79 p 1

[Commentary by Birgitte Henriksen]

[Text] The year 1979 is on its way to set a record in strikes violating contracts. Only a considerable reduction in the activity during the next one-half year can prevent a marked increase in the number of work stoppages as compared to last year.

This is shown by an inventory which the Danish Federation of Employers has made.

During the last 5 years the number of strikes violating contracts within the area of the Danish Federation of Employers lies at a comparatively even level. In the last 3 years there has even been talk about a stagnation--with a weak decreasing tendency. In 1979 the trend seems to have turned.

Manager Henrik Marstrand Dahl in the Danish Federation of Employers says: "The background for the significant increase which has taken place in the number of strikes this spring and in the early part of the summer must probably be seen as a result of the fact that the contracts were not renewed in the traditional way but via government intervention."

The intervention this year differed from 1955 and 1977 by the fact that the main organizations had provided a basis for the contract renewal. The contract renewal this year took place without the Danish Federation of Employers and the Danish Federation of Trade Unions together having been able to establish this type of a basis. Marstrand Dahl pointed out to management.

The many strikes, 850 reports in the first 5 months of the year as against 1,000 in all of 1977 and 1978, means increasing pressure on the Labor Court. From April of last year until March of 1979, 297 cases were brought before the Labor Court. This is a doubling in 4 years. The majority of the registered work stoppages have been of shorter duration, 1 to 2 days, and as a main rule this does not involve any fine.

8958

CSO: 3106

NIELSEN SAYS UNIONS, SOCIAL DEMOCRATS STILL FAR APART

Copenhagen. INFORMATION in Danish 23 Jul 79 pp 1, 10

[Article by Ejvind Larsen]

[Text] "Surplus sharing, the Wage Earners' High-Cost-of-Living Fund, limitation of overtime, paid free time for education and Employment Plan III are still unclarified questions," says Thomas Nielsen.

"Agreement has not yet been reached on the decisive points of disagreement between the Danish Federation of Trade Unions and the Social Democrats, and the Danish Federation of Trade Unions actually has no ideas what policy will be announced in the opening speech by Social Democratic Prime Minister Anker Jorgensen in parliament on October 2," the chairman of the Danish Federation of Trade Unions, Thomas Nielsen, tells INFORMATION.

At the beginning of September the Social Democrats hold their annual meeting, on Monday, 17 September, the Danish Federation of Trade Unions' business committee has called in the entire Social Democratic parliamentary group for a joint meeting, and on Monday, 8 October, the Danish Federation of Trade Unions will open its convention. But the Danish Federation of Trade Unions has not yet obtained concrete approval from the leadership of the Social Democrats about any presentation of proposals for limiting overtime and converting necessary overtime to time off, introduction of the Wage Earners High-Cost-of-Living Fund for the 10 billion Danish kroner frozen in high-cost-of-living wage increases in the General Supplementary Pension System Fund, paid free time for education, a new employment plan with, for one thing, city renewal, which will go into effect from 1981, expanding the present employment plan to 1.3 billion kroner and forced sharing of surpluses. The present wishes of the Danish Federation of Trade Unions together with a tax reform for the policy for the next couple of years and conditions for making agreement on the regulation of wages. "Everything is still uncertain and we actually know nothing about what will be in the prime minister's opening speech," says Thomas Nielsen.

Investment Guarantee

[Question] But when Niels Helveg Petersen in a statement in this newspaper on page 3 today expresses an interest in the Danish Federation of Trade Unions' demand for a form of co-ownership right in return for intervention in the settlement of wages, it must probably be considered as a political opening for the Danish Federation of Trade Unions' reform plans?

[Answer] "Each time approval is announced for points of view of this type, we probably get closer toward a realization. But we are always in the special situation that the government is characterized by two opposite parts. And according to the statements which Minister of Taxes and Fees Anders Andersen has come up with in recent days, it is in any case clear that he does not understand anything at all about the whole thing.

"Anders Andersen maintains that our proposals about surplus sharing will drain the companies of money. Documentation has been presented showing that he has no idea what our proposals are. The part of the companies' surplus which according to our proposal should be given to the wage earners remains in the company, if it so desires. It simply involves some type of an investment guarantee. A guarantee that in any case part of the surplus will be used for investment. A guarantee which we do not have today. For another thing--dependent upon the conditions in the individual companies--it will take up to 20-25 years before this surplus sharing will give the employees actual joint influence on the companies' leadership. There will thus be sufficient time to adapt to the new conditions.

"For a third thing, there is no talk about a central fund 'administering everything.' There is talk about a joint, collective fund, which guarantees that if some coworkers have saved up a capital in a company and it then goes under, it will be the fund which carries the loss and not the individual wage earner. Unless, of course, all Danish companies go bankrupt!"

[Question] There is no request from the Social Democracy about carrying out this type of reform in connection with the economic reorganization?

[Answer] "No there is not. Now it is a long time since our last talk to the prime minister about it, but I have read that he is basically in favor of an economic democracy, but, unfortunately, the political circumstances...etc., etc. The normal lecture which we have heard so many times."

Overtime

[Question] Minister of Labor Svend Auken has in a reply to Ole Henriksen in the Socialist People's Party said that he finds it probable that a limit on overtime will increase employment and legislation in this area must be evaluated positively. Does this mean that the Danish Federation of Trade Unions has received a promise from the Social Democrats that their wishes will be complied with?

[Answer] "No, it does not mean that. The minister of labor has together with one or two of your people worked on the question, but there is no agreement that a legislative proposal about limiting overtime and converting necessary overtime to time off will be announced in the opening speech."

[Question] Haven't you got any acknowledgment from the party about your proposal about establishing the Wage Earners High-Cost-of-Living Fund for the 10 billion kroner in frozen high-cost-of-living wage increases in the General Supplementary Pension System Fund?

[Answer] "No, we have no concrete reactions. Individuals in the Social Democratic part of the government have stated that they think quite well about our proposal. But the party as such has not given any word."

[Question] When will the official report from the administration of the General Supplementary Pension System Fund come about the administration of the 10 billion kroner?

[Answer] "There is a meeting in the administration of the General Supplementary Pension System Fund on 7 August, and it is possible that the attitude may be finally clarified already there. A new meeting may possibly be necessary for technical reasons."

[Question] The Danish Federation of Trade Unions is to an increasing degree putting emphasis on getting through legislation about paid free time for education?

[Answer] "Yes, but not us alone. Europe's trade organization is also very busy with this subject and believes that both the economy and the politicians must in this form put emphasis on an education policy if we are to get out of the economic crisis. It will naturally come up in our convention."

[Question] What are the Social Democrats saying?

[Answer] "That I don't know. The minister of labor is very interested, and I also talk regularly with other individuals, Ivar Norgaard, for instance. But there is, of course, a big jump between Svend Auken being interested and to the Social Democratic part of the government going in for it."

Employment Money

[Question] Has the distribution of the 1.3 kroner for employment purposes up to 1981 been settled?

[Answer] "No, there is a small committee between us and the social democracy, again especially Svend Auken, but it is not completely finished. Besides, there are tasks enough so that the amount should really have been three times as large."

[Question] The Liberals have been saying that some of the money should go to relief for farmers...?

[Answer] "...Yes, and for relief for housewives. And the radicals and others come with the small businessmen and smaller shopkeepers, who also want relief. We cannot approve of using this money for that purpose. On the other hand agriculture has a fantastic consultant activity, from which it certainly would be reasonable to obtain money for relief for the farmers."

[Question] Has Employment Plan III from 1981, which according to the prime minister will involve approximately 10 billion kroner, been settled between the Danish Federation of Trade Unions and the Social Democracy?

[Answer] "No. With regards to the renovation of cities, it involves a gigantic task, which includes approximately 400,000 apartments which are to be studied. It is my impression that Minister of Housing Erling Olsen will emphasize this, but we have no word from the Social Democracy," concludes Nielsen.

8958

CSO: 3106

CHANCELLOR'S DIFFERENCES WITH SPD LEFT DISCUSSED

Atomic Power, Environment

Hamburg DER SPIEGEL in German 23 Jul 79 pp 19-21

[Article: "SPD--Forgoing the Support of the Greens?"]

[Text] The opposition wants to exploit the disputes within the SPD about the development of nuclear energy for its 1980 election campaign, exposing Helmut Schmidt as a chancellor without a party. But there is agreement between the head of the government and his sharpest opponent, Erhard Eppler, that it should not come to an out-and-out confrontation.

Everyday annoyance caught up with the vacationer as he hurriedly changed his clothes back home in his townhouse in Hamburg.

Having returned from the Lofoten in Norway and only a few hours before flying off to sunny California for a private weekend visit with his friend George Shultz--the former U.S. secretary of the treasury--Federal Chancellor Helmut Schmidt let his government spokesman Klaus Boelling spoil his vacation mood.

In a half-hour telephone conversation on Thursday [19 July] afternoon Boelling reported to his chief in detail about the kind of event Schmidt thoroughly dislikes--a subordinate going it alone.

Development Aid Minister Rainer Offergeld, who in any case is not particularly popular with the chancellor, on the previous weekend, at the Baden-Wuerttemberg SPD Congress in Fellbach, had broken ranks. In violation of a clear ministerial order, he had sided with the overwhelming majority of the Eppler SPD in voting for a temporary nuclear moratorium.

Offergeld's insubordination greatly angered the chancellor. Irritated additionally by CSU Land organization head Friedrich Zimmermann (who had said, "Of what use is a head of government once ministers in his government publicly stab him in the back in a question that is vital for the

future?"), Schmidt would have preferred to fire his development assistant on the spot.

The only thing that saved Offergeld from an inglorious departure was the fact that he is already the fourth minister for the Third World since 1974 and that Schmidt is shying away from yet another change in that office before the 1980 Bundestag elections.

The chancellor's anger shows that he does not want to be exposed in this issue. Schmidt suspects that nuclear energy will be the decisive issue in the election confrontations with his challenger, Franz Josef Strauss, because in that area the Bavarian plans to present the allegedly strong man of the SPD in public as a weakling, pushed around by his party, who is strong only in the use of big words.

But even after the temporary no by the Baden-Wuerttemberg SPD to nuclear energy, the limited development of which Schmidt considers indispensable, the chancellor by no means is giving up his position as lost. Rather, he continues to proceed on the premise that he will be able to muster a comfortable majority in his support at the SPD Congress in Berlin in December.

Escapades like Offergeld's violation of government discipline, however, as far as the chancellor can see, are supplying the opposite side with wholly superfluous occasions for lending its attacks greater force and credibility.

And the opposition indeed took advantage of the opportunity in full, Strauss calling the question of energy supply "the question of destiny of the free West," and "nuclear energy the nuclear question of the Bonn SPD-FDP coalition."

Baden-Wuerttemberg Minister-President Lothar Spaeth was delighted to state that "the overcautious reaction by the federal government to Eppler's mistaken conclusions on energy policy shows that the federal chancellor has already become too weak to be able to risk making an emphatic effort to have his stand prevail in the SPD."

And Christian Lenzer, CDU/CSU research policy spokesman, wondered full of schadenfreude "whether SPD organizations actually still support the federal chancellor's energy policy at all."

But the diagnoses of the opposition bypass reality. Schmidt's optimism is justified. The Fellbach resolutions notwithstanding, it is more improbable than before that at the SPD Congress in Berlin the stanch environmentalist Erhard Eppler will let it come to a "big showdown" (Boelling's term) with the chancellor.

Whereas the Baden-Wuerttemberg comrades, at Eppler's instigation, advocated a moratorium for new atomic reactors until 1984, at the same time the

Swabian SPD head on the Land executive gave assurances that the energy resolution was tailored to conditions and the term of the legislature in Baden-Wuerttemberg and was not to be submitted in the same form in Berlin.

And Research Minister Volker Hauff, who supported the government line in Fellbach, spoke out against the moratorium and supported the idea of making the building of further nuclear power plants independent of definite conditions, at the executive elections received several votes more than Chairman Eppler, and far more than his recalcitrant ministerial colleague Offergeld.

What is more, Baden-Wuerttemberg will supply only about 8 percent of the delegates to the party congress in Berlin. The North Rhine Westphalian SPD, on the other hand, which supplies 33 percent of the delegates, at a Land party congress in June with little publicity decided in favor of a nuclear policy of the kind Schmidt can live with. Since the districts of Franconia and North Hesse, strong in votes, plan to follow this course, such an alliance would insure a compromise in Berlin which would be sure not to do any harm to Schmidt.

And so Eppler himself is showing restraint in challenging the unloved chancellor. "The only thing that mattered to me was that the voter in Baden-Wuerttemberg should know what he is in for when he votes for us in the spring," he says. And concerning Helmut Schmidt, the opposition leader from Stuttgart merely remarks gently: "I am not a person thinking in terms of personal antagonisms."

Nor are the substantive differences as far-reaching as pronuclear trade union circles defeated in Fellbach were speculating. These last week came up with the bugaboo that Eppler, in a sort of Sonthofen strategy in reverse, wanted to help Strauss win the election in order then to be in a position to implement the Green and Varicolored resolutions which Helmut Schmidt is standing in the way of.

Already Eppler supporters are making efforts to limit the dispute, while countering the impression that something of the Fellbach resolution needs to be retracted. Says Bundestag Deputy Dieter Spoeri: "There really is no doubt but that Eppler cannot risk a controversy of the scope some are afraid or hopeful of. But of course he is not going to Berlin to have himself emasculated."

Nor is this necessary, as Boelling points out appeasingly: "The chancellor certainly does not want a triumphal procession; nor does he want to ask anyone to surrender."

Thus Schmidt hopes to get by about as easily as at the Hamburg party congress a couple of years ago. At that time, in an also quite turbulent initial situation, prophets on both the right and the left had forecast bad nuclear defeats for him.

On the eve of the party gathering, however, a specially convened crisis staff drafted a compromise acceptable to chancellor, government and party. According to it, the further use of nuclear energy, the way the SPD wants it, is tied to two conditions:

--Atomic reactors are to be authorized only if energy supplies cannot be met by coal;

--no new nuclear plants may be built as long as the safety question has not been clarified.

Since that time the situation has not improved but worsened. The opposition by Lower Saxon Minister-President Ernst Albrecht to a nuclear reconversion plant caused a solution of the nuclear waste problem to be postponed to the far future, which means that, in accordance with the Hamburg decisions, because of lacking safety provisions no new nuclear power plants may be inaugurated.

Eppler's demand for a temporary construction moratorium thus would not create a new situation at present. Nevertheless it goes too far as far as the chancellor is concerned. He regards such a resolution, even though concretely it could not lead to different decisions, as a signal against his nuclear doctrine: "Without developing the nuclear-power-producing capacity in the coming decades, it will be difficult to attain economic growth and higher employment."

The person who is to see to it that Schmidt's plans jell is Horst Ehmke, chairman of the Energy Commission attached to the party executive. Eppler is one of the 15 members of this commission, whose task it is to draft the guidelines of the party executive to the Berlin party congress.

Since it is not to be expected that all members of the committee, from Young Socialist Michael Mueller to rightwing party operator Peter Reuschenbach, will be able to agree on one and the same version, the party strategists have resorted to a way out which has proved its worth once before in a difficult situation--in passing the theses concerning the controversial investment guidance in the Orientation Framework 85. Whatever can be resolved unanimously is also to be proposed unanimously, but when agreement is not possible, no effort is to be made to search for compromises in language, but the party congress is to be offered a majority and a minority opinion to vote on.

Such a procedure is certain not to lead to anything more acute than in Hamburg. This fact cannot be obscured by tougher formulations, the pointing out of the new situation in Gorleben and the conjuring up of the Harrisburg accident, any more than by the saving appeals uniting all wings of the party. The fact that the SPD's attraction for the group Eppler is aiming at, the Greens, will not exactly shoot up in the process is also being realized by the chancellor.

Election campaigner Schmidt plans to recoup his losses in the center vacated by the CDU/CSU—with opponents of Strauss.

Appointment of Deputy Party Leader

Hamburg DER SPIEGEL in German 23 Jul 79 pp 21-22

[Article: "Tender Little Plant"]

[Text] Chancellor Schmidt favors his Minister of State Wischniewski for the office of deputy party chairman. The SPD left opposes the government man.

No matter what the job, Hans-Juergen Wischniewski, 56, has never yet shirked work.

Currently the minister of state in the Office of the Chancellor, as he recently told his closest colleagues at the top of the government, scarcely misses an opportunity to pay his respects to the SPD base up and down the country. Says an adviser of the chancellor: "Wischniewski's calendar of engagements is also chock full on weekends."

The reason for the additional activity of the multipurpose political heavyweight: Supported by the chancellor, Wischniewski is standing ready for the post of second deputy SPD chairman next to Helmut Schmidt. This post is to be newly filled at the federal party congress in Berlin in December because Bremen Mayor Hans Koschnick no longer wants to shoulder the double burden of government and party duties.

Originally it looked as if the chancellor was entirely in agreement with the selection of Anke Fuchs as Koschnick's successor, in which SPD head Willy Brandt also played a part. (Anke Fuchs, 42, is state secretary in the Ministry of Labor.) But then Schmidt had second thoughts about her.

For one thing, Schmidt would not like to do without the capable Social Democrat, whose appointment to the Ehrenberg post he had once advocated himself, in the administration, if only because she is in charge of the complicated revamping of survivor's pensions. For another, he doubts whether the former trade union official has enough experience and carries enough political weight for the taxing post.

Schmidt would also part only reluctantly with his fireman Wischniewski. But he is not alone in regarding the political pro, enjoying the respect of the government, the party and the fraction in the Bundestag, as a worthy deputy party chairman. Chief party operator Egon Franke says "Wischniewski would be a good solution."

An important contributing factor is the fact that as former SPD federal executive manager Wischniewski is familiar with the party machine and organizational work, because it is precisely in this field that the complaints are increasing.

For some time now the current federal executive manager, Egon Bahr, has been the focal point of criticism. Many comrades reproach the onetime chief Ostpolitik [relations with communist countries] thinker of Chancellor Willy Brandt with worrying too much about international affairs and concerning himself too little with the party. Says one government man: "Egon is not as keen on what needs to be done now—to penetrate the party organizationally down to the last SPD subdistrict."

Critics of Bahr were strengthened in their views only recently by the poor results in the European elections, the preparations for which the party manager had cavalierly left to Franconian District head Bruno Friedrich. Following the victory of the CDU/CSU opposition, the Social Democratic PARLAMENTARISCH-POLITISCHER PRESSEDIENST (PPP) remarked that the SPD had to "concede that its traditional organizational lead barely exists any longer" and that "even the best chancellor is no guarantee for winning the elections if things are not what they should be organizationally."

And for this reason quite a few people think it is urgently required precisely for the pending confrontation with the Bavarian fighting machine Franz Josef Strauss to attach an experienced party man to Bahr who can work on and mobilize the party base.

So far Schmidt has been showing strict reserve in the leadership debate so as not unnecessarily to provoke resistance against his favorite as early as before the September session of the party executive which is to come up with the personnel proposals for the Berlin SPD assembly. Nevertheless opponents have been gathering ever since the name of Wischniewski was mooted.

For what one of the spokesmen of the party's leftwing, Bremen Senator for Finance Henning Scherf, had to say against a possible candidature of State Secretary Fuchs goes doubly for the chancellor's minister of state: "The federal ministerial policy is so excessively dominant in the party anyway that we ought to...agree on a candidate for the office of deputy party chairman who is not within that immediate sphere of influence."

Providently, Scherf at once put up Baden-Wuerttemberg party Chairman Erhard Eppler for consideration, who stated that while he did not want to be a candidate against Anke Fuchs under any circumstances he wanted to "keep everything else open."

Since that time there has been but one alternative as far as the SPD leftwing is concerned: Fuchs or Eppler. A candidacy of Wischniewski, according to Young Socialist chief Gerhard Schroeder, would be "interpreted as a signal that the government wants to get hold of the party."

In any case comrades such as Henning Scherf are "scared as can be" that under pressure of the Strauss candidacy for chancellor the Berlin party congress may turn into an uncritical demonstration of solidarity for the

chancellor. Says Scherf: "We are already incredibly tame as it is. It is therefore all the more necessary for us to cultivate the tender little plant of an opening toward the Greens, toward all those who can no longer be reached by the alternative between Schmidt and Strauss."

In Scherf's view, particularly the energy debate is a test "as to whether we socialists can extend our spectrum far enough to still accommodate those who utterly reject nuclear energy."

What with Schmidt, according to Young Socialist chief Schroeder's prophesy, being expected to prevail by and large with his energy policy line in Berlin, it was now more important than ever to insure an appropriate place at the top for the party congress minority--if possible, with Eppler as deputy party chairman, for, according to Schroeder, "it is not the party that needs to be integrated, but people must be integrated into the party."

One thing is sure: Berlin will not yet decide about the further Social Democratic future following the Brandt, Schmidt and Wehner era--and certainly not with Hans-Juergen Wischnewski, if he should become deputy party chairman.

Says an official at party headquarters: "He is a man of the old SPD. Of the new one, the teachers' SPD, which has had a turnover of 600,000 members since 1968, he knows precious little."

8790

CSO: 3103

FINANCE MINISTER INTERVIEWED ON TAX POLICIES

Bonn DIE WELT in German 28 Jul 79 p 2

[Interview with FRG Finance Minister Hans Matthoefer, Bonn, date not given, by Peter Gillies]

[Text] DIE WELT: Mr Minister, as late as June it was a settled matter for the SPD that no new tax package will be put together during the present parliament. But now suddenly even you believe that a lowering of the wage and income tax will be unavoidable beginning in 1981. Whence this change of opinion?

Matthoefer: I have always said that a tax reduction depends on three factors. First, how strong is the increase in revenue from the individual types of taxes. If it should turn out that the wage tax rises at a particularly high rate, something will have to be done. Second, can the reduction be financed in a responsible manner, and third, does a tax reduction fit the business cycle policy intentions--that is, does it contribute to the safeguarding of full employment at stable prices?

DIE WELT: At least two of these conditions have already been met.

Matthoefer: It appears as if the wage tax will be rising strongly next year and again in 1981, and that a rather high percentage of the income increments will be taxed away. But that has never been our intention.

DIE WELT: What is your schedule?

Matthoefer: In the spring of 1980 we will have to consider how we evaluate the business cycle situation for 1981 on the basis of the data then available and how we can fiscally cope with the requisite reduction in tax revenues. That will also have to be coordinated with the Bundesbank [Federal Reserve Bank]. Once we have determined the [aggregate] amount of tax reduction, we will consider in what form the change should come into force in 1981.

DIE WELT: How much does the normal consumer stand to gain in this tax package?

Matthoefer: We will not be able to say that until next spring, once the necessary information is on hand. After all, a change in the wage tax system costs billions. And it is in no way a question of a package.

DIE WELT: Are we talking about billions in two digits?

Matthoefer: No, no. For God's sake. One cannot tackle problems of tax policy simply in isolation from the overall economic situation. For that reason it is not possible at this point to say anything about either the manner or the magnitude of the tax change.

DIE WELT: This tax debate was again started--as in 1978--by the FDP. This creates the impression that the SPD is dragged unwillingly into agreeing to ease the tax burden. Is it the case that in this coalition the tail wags the dog?

Matthoefer: Well, he who speaks here is the finance minister of the Federal Government....

DIE WELT: ...who is also a member of the SPD.

Matthoefer: Certainly, but I am the finance minister of a coalition government. It does not matter to me who was the first to ask for or announce tax reductions.

DIE WELT: Your partner in the coalition, the FDP, asked not only for a reduction of the wage and income tax, but also for measures to ease the burden on enterprises. Are these part of the tax package?

Matthoefer: I cannot anticipate intracoalition negotiations here. According to my conceptions what is necessary for 1981 is a correction of the wage tax.

DIE WELT: And none in the taxes on enterprises?

Matthoefer: I have nothing to add to what I have stated.

DIE WELT: Does it satisfy a finance minister if he has to observe that the tax debate is getting to be ever more asthmatic and is once again being drawn into the election campaign?

Matthoefer: We live in troubled times, and it is impossible for me to prevent troubled minds from uttering their opinions. For my part I try to impart steadiness and quiet to the conduct of fiscal policy. But like everyone else I am dependent on the environment in which politics have to be conducted.

DIE WELT: Will the federal government ever manage to produce a tax reform that will hold together for a number of years?

Matthoefer: That kind of tax reform will never come about. There are so many taxes, and every one is ruled by different conditions.

DIE WELT: We are thinking only of the income-related taxes.

Matthoefer: Even there we have structural and nonfiscal problems to deal with. For instance, the necessity of improving the tax rate system with respect to family policy.

DIE WELT: Do you envisage still other tax changes during this parliament?

Matthoefer: Yes. We want to get rid of nuisance taxes and will shortly submit a tax revision law which will rationalize a number of tax areas. I also refer to the elimination of the negative capital account in write-off [i.e. tax shelter] corporations, and—under certain circumstances—to the taxation of agriculture.

DIE WELT: Under certain circumstances only?

Matthoefer: This will depend on the [voting] power constellation. As you know, we can change tax laws only with a majority in the Bundesrat [the upper house of the federal parliament].

DIE WELT: Are the farmers as a group to pay more taxes?

Matthoefer: The aim is not to obtain additional tax revenues, but a more balanced taxation within agriculture. I anticipate that the Federal Constitutional Court will in any case force us to do this.

DIE WELT: Are you as a Social Democrat in sympathy with the compensation demands of the trade unions?

Matthoefer: As a trade union man I am in favor of faithful fulfillment of contracts. I also have to point out that the billions that will go to pay the higher petroleum prices are irrevocably lost as far as domestic income is concerned. They cannot be compensated from tax revenues or from the profit margins of the entrepreneurs. In this area there are no tricks available. Oil price increases can be compensated only by a drastically reduced consumption of oil. Moreover, this is the only weapon against future price increases. That we must mitigate possible social hardships is an altogether separate matter.

9108

CSO: 3103

PROSPECTS FOR OIL SAVINGS FROM DISTRICT HEATING DISCUSSED

Munich SUEDEUTSCHE ZEITUNG in German 28-29 Jul 79 p 33

[Article by Ernst Berens: "Relief for the Oil Balance. The Dream of Long-Distance Heating. The Only Realistic Program To Replace Oil in the Near Future"]

[Text] They do not want to hear about compulsory connection. This is one point on which the representatives of the municipal central-heating station agree with their colleagues from the private sector. Compulsory connection would entail the obligation to supply, and this is just what they want to avoid. It would be so nice though (at least in theory): Under a giant, longer-range plan, the inner cities and the urban agglomerations, for instance in the Ruhr, would be converted to long-distance heating, which--this is an undisputed point--would make it possible to save considerable amounts of oil by using coal; this in turn would be extremely beneficial for the environment, as countless house chimneys would become superfluous; and, last but not least, it would represent a comprehensive government work-program extending over many years, a permanent booster to the economy.

Duesseldorf, 27 July--They all raise their hands in protest as soon as they hear the words "compulsory connection." The head of the Duesseldorf municipal station explains immediately: When the satellite town of Garath was planned, it was decided to adopt long-distance heating, using fuel oil, and including hot water supply. Whoever wanted to build in Garath knew that. This developed into a source of constant aggravation and permanent discontent; for the municipal station, it resulted in an annual loss of DM 3 to 4 million. The trouble comes not only from the fact that the heat comes from an oil-burning station and from the "waste" from a power station or of a waste-incinerating facility; primarily, it results from the impossibility to measure exactly the consumption of each individual tenant in an apartment building. It is possible, of course, to measure the number of calories supplies at the heat-exchanger, where 130°C water arrives from the heating station and supplies the required heat to the building network; after that, one can only make a

summary division of this figure by the number of tenants or the surface area of the apartments, since the individual apartments are not provided with heat meters which would function perfectly and could not be manipulated with a wet cloth. That simple division is a source of aggravation because each tenant feels he is cheated and, as a whole, heat is wasted. The head of the municipal station is also quite skeptical as to the possibility of measuring accurately the heat consumption and presenting an exact invoice to each tenant without first having to incur disproportionately high expenses. For his part, he feels that the aggravation will remain.

Two-Thirds From Waste Products

This, therefore, puts an end to the dream of achieving such a high density of consumption through compulsory connection that long-distance heating would eventually become profitable, even without government subsidies; the consensus is that this is out of the question at the present time. Nevertheless, Flensburg is an example to the contrary on which we shall come back later. It covers 7 percent of its requirements on the nonindustrial heatmarket, and a survey completed 2 years ago on behalf of the Federal Ministry of Research came to the conclusion that this figure could be increased to a maximum of 20 percent. Last year in the FRG, 100 still relatively small long-distance heating networks--85 percent of which belonging to municipal companies--have produced 46 million MWh, of which approximately 30 million MWh came from the so-called power-heat coupling, i.e., the waste heat from electric power plants, and the remainder from 480 specialized central heating stations burning oil, gas or coal, and serving mainly to cover peak-hour consumption. There are of course important local differences. For instance, the Oberhausen municipal station, Stadtwerke Oberhausen AG, covers 90 percent of the long-distance heat requirements through "waste" heat, "fresh" heat making up only 10 percent of the consumption.

Similar ratios have been taken as objective in the Ruhr areas where steel and tube mills no longer release their excess heat into the air, but feed it to long-distance heating systems. The Krupp steel mills in Rheinhausen have already come to an agreement with the city of Duisburg in this respect. Thyssen is negotiating a similar project for the northern part of Duisburg, Mannesmann is dealing with two cities, Muelheim/Ruhr and Duesseldorf. However, the first question which arises is what would happen in the case of another 2-months' strike, and it is only as a joke that some answer that the safest way to avoid a strike is that "Mother would have to sit in a cold living-room." Without additional heating stations, i.e., without the main heating of water, the idea will not work, and these are just extremely costly since such peak-demand heating stations must be designed so as to cover the demand even when outside temperatures reach minus 18°C. The DIN standard for the Ruhr area indicates minus 15°C, but this extreme value is used at most in 60 percent of the cases.

The Most Expensive Items Are the Pipelines

The most important cost factor is the construction of the pipelines. Two well-insulated pipes (supply and return) are necessary and they must be

housed in an accessible concrete shaft. Not only is this at least five times expensive as the installation of a gas line but, in inner cities, such "little submarines" often encounter obstacles which are hard to overcome, or cannot be overcome at all, "since the streets are already chock-full of pipes and channels," and because plans to enclose everything in a large, easily accessible concrete pipe have failed for thousands of reasons.

It is therefore not a simple problem, and the solution is not made easier by the fact that many long-distance heat-suppliers also sell electricity and gas, on which they make good profits--which is not the case for long-distance heating--and are not willing to see one line of business ruin the other. It is a fact that, at least in the past years, the construction of long-distance heating networks has been heavily subsidized by the government, to the rate of 42.5 percent of the installation costs, from the heat source to the building connection. Even with such subsidies, a gigacalorie still costs DM 30 to 35. If one adds the operating costs, one arrives at a figure of DM 50, which means that long-distance heating becomes competitive only for a light fuel-oil price of 50 pfennigs/liter. When making such computations, the fact should not be overlooked that long-distance heating is used only 1,600 to 1,800 hours per year, at least in the Ruhr area, and that summer sales represent barely 10 percent of what can be sold in winter. The Duesseldorf municipal works, as well as Steag AG in Essen--owner of the largest long-distance heating network in the FRG--and VEBA Kraftwerke Ruhr AG in Gelsenkirchen are of one and the same opinion: up to now such computations have remained pure theory. They have had to survive 8 to 10 years--subsidies included--before they could get out of the red.

A Better Use of Electric Power Stations

The present situation could change if the price of light-grade fuel oil were to exceed DM 0.50 in the future, if natural gas reaches a price of similar magnitude, and if government subsidies are maintained. It is to be hoped that houses and buildings will now be connected at an increased rate, although this is not certain. An assiduous propaganda is still necessary for this type of energy supply, although there is no doubt that it is the most convenient. More rapid progress would no doubt be made if the government were to devote to the development of long-distance heating (and the reduction of its cost) those DM 3.5 billion which Riemer, minister of economy of North Rhine-Westphalia, wants to throw into a hydrogenation plant which would convert 6 million tons of coal into 2 million tons of gasoline. On the heat-market, such a DM 3.5 billion investment would enable the replacement of over 2 million tons of oil per year with an absolutely safe and proven technique, which is more than can be said of the hydrogenation process.

It would not be utopia, but a reality that would soon pay off, if whenever it is feasible and economically possible, and with government subsidies, conversion from fuel oil and gas to long-distance heating were to take place, if heating with gas, oil and electricity accumulated during night hours were reserved for the less densely populated areas, and if in these areas, some

day, a heat-pump were to be introduced which would consistently produce more energy from air, water and ground than it would require itself, which cannot be said to be always the case at present. The greatest part of the energy required for long-distance heating could also be gained in the future by coupling power and heat production. If Duesseldorf were to build a new 300 MW unit based on coal in the near future, it would consume approximately 500,000 tons of coal per year. However, only 40 percent of the gross energy produced can be used. If the waste heat is used to heat approximately 60,000 homes, the coefficient of utilization increases to 60-70 percent. Therefore, the heating equivalent of approximately 200,000 tons of coal, or up to 11,000 tons of light-grade fuel oil could be saved each year.

Not an Unrealizable Dream

Contrary to so many dreams of the future use of solar, geothermal, biomass and other energy, long-distance heating is a concrete reality. What is lacking is the will to use it. This would appear to be the best possible investment for tax money at present, considered from the point of view of oil savings, which does not mean of course that we should neglect to further develop coal-refining.

To come back to the subject of compulsory connection and to the example of Flensburg, a town of approximately 100,000 inhabitants: Until 1970, the town was considered unsuitable for long-distance heating, since it would have required a pipeline length double the average for the FRG. However, as early as the winter of 1976-1977, every other house was already heated by long distance, the objective being to reach 80 percent. In May 1977, 130 km of supply channels had already been installed, even under the main traffic arteries. The whole project was and is based on a "Survey of the Town's Heating Requirements" and on a corresponding planning, which have been given a legal foundation in the form of compulsory connection and utilization, ordered in the summer of 1973 for environmental considerations (at that time, fuel oil was still dirt cheap).

A decisive factor in the financing was and is that the pipes, once installed, are immediately used thanks to 15 temporary heating stations and so at least pay for the capital invested in them. At the same time, a contribution to construction costs is made by the users, and this covers 30 percent of the cost of the network. In spite of that, though, W. Prinz, technical manager of the municipal works, stated in a conference given in May 1977, that the average price of close to DM 40 per gigacalorie (not including value-added tax) was, even then, considerably lower than the operating costs of all other heating methods. The whole network will eventually be connected to a very old municipal power station converted to this purpose and boosted by several coal-burning heating-power units, thus providing a total capacity of 600 gigacalories per hour (1 gigacalorie = 1 billion calories). The long-distance heating of two-thirds of the town will require 100,000 tons of imported coal, 30,000 tons of coal from the Ruhr, and 5,000 tons of heavy-grade fuel oil per year. In addition, the town has not had to make any use of the compulsory connection clause. A voluntary connection density of 80 percent was obtained along the completed lines alone.

How much did the whole project cost? The first preliminary balance was drawn up in the summer of 1973. The investments made at that date and the investments still outstanding amounted, at the current prices, to DM 200 million equally divided between the network with pumping stations and standby heating stations, and 5 heating power facilities. Quite probably, the costs will reach DM 250 million "in the case of rapid completion," at least that was the opinion of engineer Prinz in May 1977.

9294

CS0: 3103

'NEW RIGHT' IDEOLOGY REPORTED, COMMENTED ON

Hamburg DER SPIEGEL in German 13 Aug 79 pp 142-144

[Article: "Elite of the Capable"]

[Text] A 'New Right' is forming in France. Its concepts: A strict hierarchy from weak to strong, poor to rich. Its support reaches up into high government offices.

"Not quite 50 years after the Germans," laments Paris university instructor Jean-Pierre Haudry, 36, "the French are waxing enthusiastic about fascist ideas" and, even worse, "are venerating the German heritage and mocking their own country."

Haudry is anything but a leftist; nor is he anti-German. Rather, he is a loyal voter of the Gaullist RPR [Rally for the Republic] and a friend of party head Jacques Chirac, the rightwing nationalist mayor of Paris.

What he and many of his conservative party friends are so shocked at these weeks is the surprising popularity of the 'New Right'--a movement of intellectuals among France's new generation of university graduates which within a few months has found numerous supporters in Chirac's party but also among the followers of President Giscard d'Estaing.

Socialists are already claiming, without being contradicted, that the government camp has been infected by fascist types of ideas. As far as the Communists are concerned, it is a fact that with the new ideology the Fifth Republic is showing its true ugly face.

On radio and television both leftwing and rightwing spokesmen are engaging in unusually rough battles of words about equality of opportunity and the future of democracy. In the press the ideologists of all camps are arguing about a "phenomenon arousing passions: is the 'New Right' a resurrection of paganism, racism, even fascism?" asks the sensationalist FRANCE SOIR in big letters.

The slogan "New Right" emerged for the first time at the end of March. Eight weeks later, LE MONDE reported that a radical-right doctrine was being "established at breakneck speed," and in June the liberal-left NOUVEL OBSERVATEUR was already in a position to report that the ideologists of the New Right were working together "directly and quite officially" with leading members of the government. It would appear that, at double time as it were, the French state is being undermined by neofascists.

Almost daily, leading conservative politicians and government officials come on the scene to take a stand--pro and con.

Michel Debre, for example, prime minister under de Gaulle and today spokesman of the nationalist wing in the RPR, immediately dissociated himself because, he said, the New Right would betray the heritage of the nation to Germanism. Debre: "A conservative trend is combining with antination snobbery."

Supporters of the new ideology are rather technocratically inclined--leading politicians such as Michel Poniatowski, a former minister of the interior and at present personal ambassador of the president; Deputies Philippe Malaud and Etienne Pinte; and the mayor of Nice, Jacques Medecin. They all have numerous aides and conceptualizers in the ministries openly professing their support for the New Right.

The team assembles regularly in the "Club de l'Horloge," a club of snobs founded in 1974 by graduates of the elitist administrative college ENA. At present it has increased its membership to 120, with more than three-fourths consisting of ministerial officials. Many of the leading politicians of the government parties have been guests of the club of intellectuals.

The head of the club is Yvan Blot, 31, who made a career in the Ministry of the Interior while Michel Poniatowski was still in charge. In Chirac's RPR, he serves as chief executive assistant of Secretary General Alain Devaquet, industriously drafting internal party platform papers.

The declared aim of the club is the "rerooting" of people in a hierarchical social order, the promotion of free enterprise and the moral strengthening of the French nation through the country's intellectual elite, which is to reconquer step by step a leading position in the government, judiciary and armed forces.

Ever since leading RPR politicians started condemning the supranational and anti-Christian theses of the New Right, the Club people have been making propaganda for a pronounced patriotic course in the spirit of Gaullist tradition. Yvan Blot meanwhile even rejects the label "New Right" for himself, saying: "We remain loyal to the French Revolution and therefore prefer to call ourselves New Republicans."

Pascal Gauchon, on the other hand, head of the small Party of New Forces (PFN) founded in 1974, identifies completely with the racist-tinged "absic ideology of the circles going under the name of New Right." His party has already oriented its political platform toward the line of the New Right.

"The left proposes, the right disposes" is how the power relationships in the Fifth Republic have been defined in the past 20 years. "Today it is becoming apparent that there are also intellectuals in the right camp," Gerard Saize, a PFN leader, says approvingly, "and they are not ashamed to profess their support of the right"--of a weltanschauung that is in sharp contrast with the tradition of the Catholic-conservative nationalists.

What all trends of the New Right have in common is the ideology of socio-biological rerooting: people are to be integrated into the strict hierarchy ranging from weak to strong, from poor to rich, and to be led by what the Club brochure calls the "elite of the most capable." To this is added the concept that the people do not leave the narrow horizon of communal existence but rather are to identify with the traditional culture of their region.

These are but vague points of reference which ideologists of the New Right have consolidated into a reactionary doctrine, a doctrine of ideological war against state and society.

The principles of this hard ideological core include:

--To fight freedom and equality as a violation of the "natural inequality of people" and to advocate the principle of the stronger;

--to endorse a strictly hierarchical social order and to justify the elite principle with the naturally differing capabilities of people;

--to consider inequality as a biologically proven principle of hereditary transmission to which all sociopolitical objectives must be subordinated;

--to reject "Jewish-Christian monotheism" as the cause of the belief in equality and to advocate the pagan polytheism of previous cultures;

--to regard "both Americanism and communism" as enemies of the European cultural heritage that need to be rebuffed by the "Indo-European" peoples under the leadership of the Germans and French.

These doubtless are antidemocratic, if not antifascist, theses, previously advocated in France already before 1940 by the antidemocratic Action Francaise. All the more amazing is the brazenness with which the New Rightists are ignoring the fascist past.

"Having been born after the war," says Henri de Lesquin, one of the ideologists of the Club de l'Horloge, employed as a manager in the Ministry of

the Interior, "we are the first who can fall heir to the ideas of those old rightists, though of course not without reviewing them." The Nazis themselves do not concern us. The way is open to us."

The way to an also racist-tinged ideology has not been paved by Paris press czar Robert Hersant, who owns the big dailies LE FIGARO and FRANCE-SOIR.

Imprisoned after the war for collaboration with the Nazis, Hersant last fall put his friend the publicist Louis Pauwels, 59, in charge of his new magazine supplement LE FIGARO MAGAZINE, now being read by about 1.8 million people in France.

Previously Pauwels had been active as a writer, primarily in parapsychology and futurology. Now he appeared as a critic of "Judeo-Christian predomination" and wrote a book paying tribute to ancient Roman paganism. As editorial writer of his magazine he stated on the occasion of the "Holocaust" debate that the Buchenwald concentration camp was innocuous compared with, say, the bombing of Dresden. "If anti-Semitism should have a resurrection one day," Pauwels stated at the end of February, "it will not be in the tradition of the SS but the result of Islamic fanaticism."

Since the beginning of this year Pauwels' magazine has been available as a tribune to the thinkers of the New Right. In fact, leading rightist ideologists joined its editorial offices. At least nine of Pauwels' employees belong to the radical-right Groupement de recherche et etudes pour la civilisation europeenne [European Civilization Research and Study Group], whose acronym GRECE is to call ancient Greek culture to mind. GRECE Secretary General Jean-Claude Valla is a Pauwels writer, and so are GRECE ideologists Michel Marmin and Gregory Pons.

GRECE was founded in 1968, as a counterweight against the student movement, by racist-oriented ultrarightwing young university students and graduates. Alain de Benoist, 35, meanwhile being extolled by the Hersant press as a "philosopher of the New Right," was a cofounder and is a Pauwels protege.

Benoist makes propaganda for "Indo-European polytheism," leading an ideological war against princes of the church, U.S. influence on Europe and leftist theories.

In the "ideas" column in Pauwels' magazine, he writes panegyrics about genetics and sociobiology. As the head of the GRECE publishing house, Editions Copernic, he sees to the spreading of elite and inequality theories. In addition he is the chief editor of a monthly journal and editor of the somewhat racist series "Rheingold." As a columnist he also makes propaganda for neofascist ideas under frequently changing pseudonyms.

His views do not change, however. He voices contempt for decadent democracy, has a high regard for the cult of superman and the fuehrer principle, believes in natural racial eugenics, cultivates a nostalgia for pre-Christian Teutonic culture and has a certain predilection for racist Nazi literature of the post-1933 period.

Benoist, however, rejects the charge of racism outright, making things appear in an innocuous light by explaining: "I only advocate that the good be replaced by better ones--not morally speaking but as far as capacity is concerned. The New Right furthers elitist thinking by seeking to promote the best qualified."

With Benoist heading the ideological struggle, the GRECE team has grown into a movement counting over 5,000 members at present. It has local organizations in all French university towns.

Seminars, conferences and annual congresses are held with behavioral scientists, biologists and geneticists of international renown in order to present the New Right ideas as scientifically based knowledge.

The aim of an international reputation is also served by the ultrarightwing theoretical journal NOUVELLE ECOLE directed by Benoist. Its 200-person patronage committee also includes, in addition to Pauwels, German scholars of intellectual development, some with NPD [National Democratic Party of Germany] ties, such as the historian and former head of the Wissenschaftliche Buchgesellschaft [Scholarly Book Society] in Darmstadt, Ernst Anrich. Among them are also the Muenster philologist Helmut Gipper and Celticist Leo Weisgerber of Bonn.

Benoist is particularly grateful for the support of those thinkers whose weltanschauung served as a model for him, such as behavioral scientist and Nobel Prize winner Konrad Lorenz, science-oriented authors Authur Koestler and Robert Ardrey and also behavioral scientist Hans J. Eysenck, living in England, whose book about "The Inequality of People" has been published by Benoist in French in his Editions Copernic.

A particularly close tie exists with publicist and specialist in conservatism Armin Mohler, who after the war served as secretary of Ernst Juenger, revered by Benoist, and later worked as a journalist in Paris. As early as 1958, Mohler, in a book, called for renewal of the French right. His oeuvre "Seen From the Right," published in 1974, so impressed Benoist that a couple of years later he took over the title for his own book. In Springer's DIE WELT, he received great praise for it ("The book every conservative would have liked to write")--from the pen of reviewer Armin Mohler.

This German-French friendship is continuing. Only recently did DIE WELT print an article by Mohler about his friend Benoist and the GRECE house organ ELEMENTS OF EUROPEAN CIVILIZATION (ELEMENTS for short), which devoted an entire issue to German Teutonism.

Under the pseudonym "Robert de Herte," Alain de Benoist and his friends are writing in the journals of the New Right with what LE NOUVEL OBSERVATEUR calls increasingly clear "Nazi references." A call is being made there for an open ideological war against all non-European influences, the German "Drang nach Osten" [urge toward the east] is rhapsodized, and the superiority of the Aryans is stressed--particularly of the French and German peoples.

According to ELEMENTS, in the history of the German people reunification is predestined, a merger with France inescapable. There will be a "great European empire" reaching from the Atlantic to the Urals, from the Mediterranean to the North Cape, fables "Robert de Herte" as the pseudonymous extremist of the GRECE group.

In this great Eurofascist empire, democracy and the constitutional state will be done away with at long last, and monotheistic religions will be strictly prohibited. A Germanic-Celtic aristocracy will control politics and censor the mass media. State, armed forces, judiciary and economy will be firmly in the hands of a few hundred clans, whose privileges will be tied to blood and soil.

Only those who have an Aryan ID will be able to get ahead. A sociobiological aptitude test will determine whether one is qualified to attend college. Genetically inferior persons will work in nuclear power plants and chemical factories. There will be euthanasia for the mentally ill, and handicapped persons will be sterilized. Intimate relations with non-Aryans will be considered defilement of the blood.

No one can explain conclusively why this horror vision of a small circle of intellectuals in Paris is receiving such great attention.

As it is, there is nothing as old as the label "new" on the Paris cultural scene. There is hardly a single fashionable trend that is not immediately blown up into a "new wave" by discussion groups and media. The so-called New Left has already been discovered several times; the winter before last, when the left was in a crisis, the "new philosophers" appeared as leftist critics of the left; and at the end of July there suddenly came into being a seemingly "New Economy" on an old liberal basis. Among the New Right as well, the fashionable is served up afresh with ancient ideas.

Nevertheless the New Right is no intellectual summer fashion. Rather, its quickly spreading popularity signals a rightist trend in France's previously rather leftwing-oriented public opinion.

Among the intellectual sophisticates in Paris it is part of the "in" thing to do to quote the intellectual pathfinders of the New Right, such as the Germans Arnold Gehlen and Carl Schmitt. Reactionary literati like Montherlant and Ernst Juenger are being read, and theoreticians like the Italian elite prophet Pareto discussed with admiration. All of a sudden rightist ideology and elitist thinking are very popular.

LE MONDE tried to interest the "strange phenomenon" as a sociopsychological reflex, saying that by rejecting the prevailing system of values and consciously supporting existing injustices the New Right was holding up a mirror to the industrial society.

Gaullist Jean-Pierre Haudry, on the other hand, sees in the popularity of the New Right a trend advancing in all of Western Europe but manifesting itself more clearly in France solely because of the crisis of the parties of the left. He says: "For us conservatives, the enemy henceforth no longer stands on the left but on the right."

8790

CSO: 3103

PASOK'S LINKS WITH LIBYA DISCUSSED

Athens I VRADYNI in Greek 7 Jul 79 p 5

[Article by Titos Athanasiadis: "'Love Affair' With al-Qadhafi--Place Where It Developed: Crete"]

[Text] The most widely discussed "eccentricity" of PASOK [Panhellenic Socialist Movement] is its ties with Libya. Indeed, none of its contacts with the regimes of other countries, such as those of Syria, Iraq, Yugoslavia, and the Third World generally, has puzzled political observers as much as the contacts of the movement of Mr Papandreu with the regime of al-Qadhafi.

And this is because neither their almost identical socialist ideology, nor the partial convergence of the foreign policies of Libya and of PASOK, nor their views on the Mediterranean justify such close relations between PASOK and the Organization of Progressive and Socialist Parties of the Mediterranean.

The curious thing about the entire story of the "love affair" between PASOK and the Revolutionary Party of Colonel al-Qadhafi is that for a certain period of time there was a "diplomatic representative" of PASOK in Tripoli. A sort of "ambassador," who constituted the liaison between PASOK and the capital of Libya and who it seems was handling all the unofficial contacts between his party and the sole party of Libya.

According to our information, this party "envoy" of PASOK to Libya was a "diplomatic representative" at the "headquarters" of an organization struggling for the independence of the countries of the Mediterranean. His name was Manos Kafetzopoulos.

Mr Kafetzopoulos--still according to the same information, which comes from persons who have behind-the-scenes knowledge of what happens within PASOK--remained in Libya for about a year (all of 1978).

In Tripoli, this officer of PASOK had a meeting with a prominent personage in the regime of Colonel al-Qadhafi: The administrative

of icer of the Peoples Congress of Libya, Ahmad Shahhati, who occupies a high position in the hierarchy of the Revolutionary Association which governs this northern African country, and who also holds the "post" of Secretary General of the Permanent Secretariat of the Organization of Progressive and Socialist Parties of the Mediterranean.

Mr Shahhati is a sort of minister of foreign affairs of the Revolutionary Association. He is the person who carries out all the official or unofficial contacts with the envoys of parties or political organizations of other countries in Libya, or with the representatives of national liberation movements or autonomist movements who visit Tripoli.

In this capacity, Ahmad Shahhati has received the representatives of the autonomist movements of Corsica, of the territory of the Basques, of Brittany, of Northern Ireland, of the Philippines, and so forth!!

Mr Shahhati came to Athens and participated in the proceedings of the "Conference of Socialist and Progressive Organizations of the Mediterranean" which was held between 15 and 18 May. Without a doubt he was the number-one foreign personage of the conference, within the framework of which he met with PASOK's leader Andreas Papandreou, other officers of the movement, and the deputy for Irakleion Crete, Athanasios Skoulas.

Why in Crete?

However, in the "love affair" between PASOK and Libya there is yet another curious fact.

The places where this developed are not only the capitals of the two countries, Athens and Tripoli, but also Crete.

In fact, their official relations--those which are invested with a cloak of legality--have Crete as their promotional center.

In any case, this intrusion of Crete into the story of the relations between PASOK and Libya remains inexplicable. Why Crete and not Makedonia or the Peloponnisos?

Of course, the fact that Crete is the geographical region of Greece which is closest to Libya is an easily made but not a reasonable explanation, because the center of the development of their relations ought to have been Athens, or both Athens and Tripoli. That is, the capitals of the two countries.

But how did Crete get "mixed up" with this whole story? On 20 May 1978, at the airport of Irakleion, about 30 Irakleion residents headed by the PASOK deputy Athanasios Skoulas received with bouquets and warm handshakes six dark-skinned gentlemen, high-ranking officials from the Libyan embassy in Athens.

According to reports, one of these gentlemen was the president of the Libyan League of Friendship With Foreign Lands. The name of this person is al-Naji Muhammad.

The purpose of the coming to Irakleion of these high-ranking foreigners was the opening of the offices of an organization which had been created in the autumn of 1977 and which had received the legal classification of an association, on the basis of articles of association which were submitted to the Irakleion First Instance Court on 27 December 1977 and which were subsequently approved.

Title of this association: "Creto-Libyan Friendship League."

Within the framework of being host to these high-ranking foreigners, the administrative body of the Creto-Libyan Friendship League gave a formal dinner in their honor on the first evening of their visit, during which a speech was given by the then acting president of the League, Ioannis Skafidas, a civil engineer and member of the local PASOK group. One of the Libyan notables responded, in Greek. And the circle of speakers was rounded off by the local PASOK deputy, Athanasios Skoulas, who stressed the need for strengthening relations between the Cretan and Libyan people, as well as for promoting cooperation between the Greek and Libyan people.

In the course of the stay in Irakleion of the officials of the Libyan embassy, certain meetings were held and conferences took place between them and the leading officers of the Creto-Libyan League.

About 1 month after the opening of the offices of the League, 10 Greeks departed from Athens by air to visit Libya, following an official invitation.

Participating in this delegation were six Cretans--members of the Creto-Libyan Friendship League and officers of the local PASOK organization. The other members of the group were journalists from Athens.

At the head of the delegation was the PASOK deputy for Irakleion, Athan. Skoulas.

Change in Title

This trip to Libya of PASOK officers from Irakleion Crete created a certain sensation in that large Cretan city. And one of the locally powerful extraparlimentary officers of PASOK says that in the summer of 1978 he made representations to the president of the movement, A. Papandreou, to the effect that he should intervene and recommend to Mr Skoulas that the title of the League be changed, since the word "Creto-Libyan" had begun to create unpleasant impressions among the public--something which would end up being to the detriment of PASOK.

In fact, enemies of PASOK had meanwhile begun to exploit this issue in their discussions and to say: Why should a special Creto-Libyan League be created, when Crete is a part of the Greek State? Why is the League not called the Greek-Libyan League? Why does Paragraph 1 of Article 2 of the articles of association of this group speak about the "development of a spirit of brotherhood and solidarity between the Cretans and the people of Libya," and not between the Greeks and the people of Libya?

It is said that all these things reached the ears of Mr Papandreou, who gave an order to change the name of the League--something which was done through the submitting of an application by the administrative body of the Creto-Libyan League and through the subsequent issuing of Decision 96/1978 by the Many-membered First Instance Court of Irakleion.

Following the changing of the title of the League to the Greek-Libyan League, with headquarters in Irakleion, two Libyans went to Irakleion and had meetings with officers of the local PASOK organization, whereupon 6 months later, in March 1979, two more members of the Libyan embassy in Athens visited Irakleion and met with the deputy Skoulas and other officers of the local PASOK group who are also members of the Greek-Libyan League.

During those days the new offices of the League were opened, and elections for the appointment of its Administrative Council were held. The deputy Ath. Skoulas was elected president of this council.

Cuba an Example to Copy!

In the spring of 1979, Mr Skoulas began to publish at fairly regular intervals the newspaper KRITIKON FOS, in the columns of which a strong pro-Libyan and more generally pro-Arab line is presented (on the last page of the issue of 20 June 1979, for example--the newspaper is published weekly--two lengthy commentaries and one news item are published about Libya and the Palestinians, the Greek-Arabic Bank, and the Greek-Arabic Chamber of Commerce).

In the columns of the same newspaper there also appear views on Crete and its role, such as that column which is published in the issue of 13 June 1979 and which is based on the views of a Cuban journalist who is president of the Cuban-Arabic Friendship League. Her hope for Cretans is that they may achieve what her Cuban compatriots have achieved!

Here is the relevant extract from the interview of the Cuban journalist, Rosa Velez, as it is published on the last page of the 13 June 1979 issue of the newspaper KRITIKON FOS, with PASOK deputy Athan. Skoulas:

Rosa Velez:

"Do you know what has occurred to me? Crete and Cuba have very much the same form! The two islands both extend from the East to the West! And the peoples of both islands are similarly courageous. Consequently, you cannot help but achieve yourselves what we have already achieved...."

But the publication of this interview reveals something else besides: That it is likely that the Greek-Libyan Friendship League will become involved in relations with other friendship leagues of Libya (the journalist Velez is president of the "Cuban-Libyan League")--something which can have adverse effects on the prestige and influence of PASOK among the public. And some of the officers of the Irakleion PASOK group do not want to see this possibility materialize, and therefore they are preparing to make new protests to Mr Papandreou, demanding that he intervene and restrict the activity of those of its officers who are preoccupied with the Greek-Libyan League.

12114

CSO: 4908

NEW PRESIDENT, PROSECUTOR OF AREIOS PAGOS REPORTED

Athens TA NEA in Greek 3 Jul 79 p 1

[Text] As of yesterday evening, Dimitrios Skoumbis, senior vice president of the Areios Pagos, is now the president of this Supreme Cassation Court. Promoted to the position of prosecutor of the Areios Pagos was Konstandinos Fafoutis, until yesterday third deputy prosecutor.

These promotions in the leadership of the Areios Pagos were made yesterday evening by the Council of Ministers--as the Constitution stipulates--under the chairmanship of Premier K. Karamanlis.

Promoted to vice presidents of the Areios Pagos were the senior supreme court judges I. Gournas and K. Anastasopoulos.

Promotions in the Auditing Council were also made in order of seniority. Promoted to president was the vice president N. Themelis, and auditing council members Il. Kantsios and Ioan. Katsikas were promoted to vice presidents.

The only exceptions to promotions in order of seniority was the promotion of K. Fafoutis. His senior, second deputy prosecutor of the Areios Pagos K. Kyriakis, was passed over.

Mr Skoumbis, the new president of the Areios Pagos, reaches the age limit after 3 years, while Mr Fafoutis reaches it after 6 years.

Another eight members of the Areios Pagos are reaching the age limit, and their positions will be filled, along with the six newly created positions of members of the Supreme Court and one position which has been vacant for months.

Also, six appeals court presidents and five appeals court prosecutors are retiring.

Finally, another five members of the Auditing Council are retiring.

EDA ELECTS NEW ADMINISTRATIVE COMMITTEE

Athens TO VIMA in Greek 3 Jul 79 p 1

[Text] Last Sunday night, with the election of a new Administrative Committee the proceedings came to a close of the Fourth Panhellenic Conference of the EDA. This conference had begun on Friday, its main theme being the making of preparations for the upcoming EDA Congress.

The conference decided that the rough drafts of articles of association and of a program, along with the relevant proposals which were made during its proceedings, should be furnished to members as materials for the Congress.

In the course of the proceedings of this conference, the former deputies Stavros Iliopoulos and G. Panagos and also Nina Pasalidi made statements--following the proclamation of the new directions the EDA is to take, toward being a "party of a New Revolutionary Democratic Left which envisions the creation of a self-regulating society"--saying that they are refusing to continue their association with the party, because they believe that the founding principles of the EDA are being violated.

In addition, more than 25 former members of the Administrative Committee and other officers declined to take part in the conference or refused reelection to the committee.

The 50 members of the Administrative Committee which the conference elected are the following:

L. Agouridis, Gian. Ambatzoglou, Or. Andonoglou, Th. Apostolou, Dim. Asimakopoulos, N. Ganitis, Dim. Giakhnis, G. Giotopoulos, Man. Glezos, V. Damianakou, G. Evangelidis, Iro Kavvadia (Giannari), Gian. Kakoulidis, S. Kamaris, Gian. Kamoulakos, Maria Karra, G. Karavas, T. Karavitis, G. Karapapas, L. Karasmanidis, Maria Karagiorgi, P. Katerinis-Adamis, T. Kaltemlidis, Gian. Koutsimanis, G. Kyriakou, T. Lazaridis, Ang. Laskaridis, L. Lembesis, Andr. Bartzokas, Eleni Bena, Andr. Berdembes, T. Botsakis, Toula Palouki, N. Pandazidis, Al. Papoulas, Sp. Papaioannou, An. Papapetrou, Petros Petrakis, Mikh. Peristerakis, And. Patsiandas, S. Poulos, Despoina Skalokhoriti, S. Sotiropoulos, T. Tzavellas, Dim. Trakhanis, L. Tsavidis, S. Tolias, Dim. Tsolis, Mikh. Khristogiorgos, and Dora Psaltopoulou.

DETAILS OF 1979 SOCIAL BUDGET REPORTED

Athens TA NEA in Greek 7 Jul 79 p 16

[Article by Nana Daoundaki]

[Text] The social budget for 1979, which was made public yesterday by the minister of social services, comes to 187.880 billion drachmas.

The appropriation for the health, insurance, and social welfare of the Greek people shows an increase in expenditures over last year of 34.087 billion drachmas, but it still leaves a surplus of 10.188 billion drachmas.

The related expenditures which were earmarked by last year's social budget came to 153.793 billion drachmas.

According to categories, the receipts from social-protection sources for 1979 are assessed generally as follows:

Health: 13.389 billion drachmas.

Social insurance: 177.908 billion drachmas.

Welfare: 5.527 billion drachmas.

General expenses: 1.244 billion drachmas.

For the same period of time, the expenditures are earmarked as follows:

Health: 13.389 billion drachmas.

Social insurance: 167.720 billion drachmas.

Welfare: 5.527 billion drachmas.

General expenses: 1.244 billion drachmas.

Both the receipts and the outlays of the new social budget are increased compared to those of last year. The increase in the receipts comes to

the sum of 34.313 billion drachmas, and the corresponding increase in outlays comes to the sum of 34.087 billion drachmas--a difference of 226 million drachmas.

The amount which will be allocated for social insurance comes to 167.720 billion drachmas, compared to the 138.021 billion drachmas which were allocated last year--that is, this allocation has increased by 29.699 billion drachmas more this year.

The budgeted receipts of the social insurance agencies (not including the insurance services and the State) appear as follows for this year:

Contributions of those who are insured (salaried and not): 53.903 billion drachmas.

Matching contributions of employers: 53.640 billion drachmas.

Social contributions and State subsidization: 23.335 billion drachmas.

Proceeds from property: 5.503 billion drachmas, and

Miscellaneous receipts: 1.546 billion drachmas.

For 1979, the following amounts are earmarked in the social budget for social insurance grants:

For pensions: 109.427 billion drachmas (74.438 billion drachmas from the social insurance agencies, 33 billion drachmas from the State, and 1.989 billion drachmas from the insurance services).

For sickness benefits: 32.243 billion drachmas (27.605 billion from the social insurance agencies, 4.158 billion from the State, and 480 million from the insurance services).

For unemployment benefits from the social insurance agencies: 3.250 billion drachmas.

For welfare benefits: 11.016 billion drachmas (10.668 billion from the social insurance agencies and 348 million from the insurance services).

For family allowance grants: From the social insurance agencies-- 3.5 billion drachmas.

Health

A sum of 13.389 billion drachmas will be allocated in 1979 for the health of the Greek people, by way of the Ministry of Social Services and the nomarchies. In more detail, the following will be allocated:

For public health: 237 million drachmas.

For medical care: 10.771 billion drachmas.

For farmers' health insurance: 1.478 billion drachmas. With respect to this item, the OGA [Farm Insurance Organization] is being additionally burdened by the amount of 1.885 billion drachmas.

For general expenses: 903 million drachmas.

For the medical treatment of civil servants and pensioners, in addition to the above there will also be allocated by the Ministry of Social Services a sum of 4.158 billion drachmas.

Almost the entire population of the country is insured by the social insurance agencies and the State. Specifically:

Some 3,446,229 persons are insured for receiving a principle pension by agencies under the jurisdiction of the Ministry of Social Services.

Some 854,011 are insured for a subsidiary pension.

Some 9,292,572 people are insured against sickness, and

Some 48,406 are insured for welfare.

Those pensioners receiving a principal pension from agencies under the jurisdiction of the Ministry of Social Services number 1,049,938 this year, while the number of those receiving a pension under auxiliary insurance comes to 173,956. Those pensioned by the State (principal pension) number 191,902 persons, and those pensioned by the NAT [Seamen's Retirement Fund] come to 26,344 persons.

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CSO: 4908

EKISTIC AREAS TO BE DEVELOPED IN ATTIKI REPORTED

Athens I VRADYNI in Greek 12 Jul 79 p 1

[Text] Perama, Liosia, Kamateron, Akharnai, and Amarousion are among the first of the regions which will be proclaimed ekistic areas, and these areas will be developed in accordance with the law "on ekistic areas" (which was passed recently in the Chamber of Deputies).

In addition, by the same law--it was stated by Deputy Minister of Public Works St. Manos--the following will be developed:

About 400 areas throughout the country.

The summer-holiday housing zones of the greater Athens and Salonica areas (these sites have been chosen).

Those areas which are provided for in the Athens Regulatory Plan (assuming that this plan is approved).

As for Perama in particular, its development and improvement is considered essential because of its direct relation to the project of the Perama-Salamis junction, which has already entered the materialization stage. The five areas which were mentioned above are predominantly areas of sub-standard housing and uncontrolled construction, and meetings between the Housing Service and their mayors are being held so that decisions can be reached on how to implement the law.

Furthermore, there already exists a detailed study on the ekistic development of Khalkis which was elaborated by this municipality, and now the necessary arrangements are being made for its implementation.

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CSO: 4908

DETAILS ON DRILLING PLATFORMS INSTALLED AT PRINOS

Athens TA NEA in Greek 7 Jul 79 p 9

[Text] Kavala--Sensational developments in connection with the petroleum in Greece which is located in the Thasos sea area are expected this summer, and these developments will have a direct bearing on the government's announcements and the programs for fully developing and exploiting the country's underseas and underground wealth.

The relevant programs which have been set up and which are to be implemented by the "Northern Aegean Petroleum Company" and other foreign companies in cooperation with the Public Petroleum Corporation (DEP) provide for an extracting of the Prinos hydrocarbons in a total recovery process and for a continuation of the geological "surveys" and explorations in this sea area (Gulf of Kavala) and on adjacent land areas initially, and in the Makedonia and Thraki regions on a longer-term basis. Not unrelated to the government's intentions is the fact that more and more encouraging results are emerging from the ongoing explorations and the initiatives which the DEP has begun to take.

Foreign oil experts, top governmental figures, and representatives of financial organizations are increasingly insisting that the entire northern Aegean area is a basin of oil and that it is at last possible, with proper planning, to completely satisfy the needs of the country for oil upon completion of the stage of productive operation of the oil wells.

We Are Beginning the Pumping

Some 5 1/2 years after the important discovery was made (6 January 1974), Greece is now in essence entering the group of oil-producing countries of the world, in proceeding at full speed to pumping out the Prinos hydrocarbon deposits.

As of last Sunday, the first floating platform for pumping oil--which was transported from Taranto, Italy and which cost \$25 million--has already begun to be "set up" over the "heart" of the deposit.

By 10 July, this platform will have been firmly fixed in place, and its four support posts will be cemented in place and the connecting up of its separate parts will be completed. The calculated area of this platform is 100 by 200 feet.

On 12 July, the gigantic ship ("Moniser 126") will set sail from the Prinos sea area for the Skaramanga Shipyards, from where it will pick up the second platform and transport it back to Prinos.

This platform will be anchored at a distance of 15 meters from the first one, and they will be connected to each other by bridges.

These two initial platforms will be used exclusively for "production drillings," while two more platforms which will be transported to the Thasos sea area next summer will be auxiliary platforms.

Each of the platforms will be coupled with 12 production drillings, made at various angles to the deposit, so that oil may be taken from many points and piped to the third platform, from where it will reach the mainland by means of a 20-inch pipeline.

The fourth platform will be used to pipe sea water, under pressure, into the deposit by means of 18 drillings which will extend down to various points in the deposit, the aim being to facilitate the complete "withdrawal" of the oil. It is recalled that the area being exploited amounts to 50 square kilometers.

The production drillings at the Prinos deposit will begin, it is figured, towards the end of July or at the beginning of August. Regular pumping will begin in the spring of 1980, with an initial daily production of 18,000 barrels of oil and 17,000 barrels of gasoline (natural benzine).

Despite the fact that the extracting of this oil will have notable effects on the Greek economy and will make up for many of its negative aspects, particular stress is nevertheless being laid on the care which must be given to protecting the environment from the pollution which will be caused by the associated industrial boom. It is believed that up-to-date technology and the allocating of the requisite loans will decisively protect this area. At the same time, developmental projects in Thasos are being planned which are aimed at protecting the environment, according to a ministerial assurance which was given to the community authorities here. One idea is for the costs of the projects to be defrayed mainly by a minimal charge which will be collected by the communities in Thasos from the extracting of the oil.

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BRIEFS

EDA EXECUTIVE COMMITTEE MEMBERSHIP--The Administrative Committee of the EDA, which was elected by the Fourth Panhellenic Conference, has chosen a new Executive Committee which is composed of the following, in addition to the president of the EDA, Il. Iliou: G. Giotopoulos, Man. Glezos (secretary of the Administrative Committee), Iro Kavvadia-Giannari, Maria Karagiorgi (secretary of the Executive Committee), L. Karasmanidis, Maria Karra, P. Adamis-Katerinis, D. Keltemlidis, An. Papapetrou, S. Poulos, S. Sotiropoulos, and D. Trakhanis. (Poulos, Giotopoulos, and Sotiropoulos were not members of the previous Executive Committee).

[Text] [Athens TA NEA in Greek 5 Jul 79 p 16] 12114

CSO: 4908

JUDICIAL PROCEEDINGS AGAINST 'METROPOLI' PUBLICATIONS

Rome L'ESPRESSO in Italian 8 Jul 79 p 11

[Text] One of the accusations most often made these days against the socialists is that they are among those who are financing the Piperno and Scalzone magazine, METROPOLI. The rumor arose from the association with METROPOLI's activities and those of the Cerpet study center which were headquartered in the same apartment in Sforza Cesarini Square where METROPOLI is now headquartered and in which more or less the same persons who are now collaborating on METROPOLI worked. Cerpet obtained financing from Montedison (through socialist Luigi Mazzillo) and from Forner for an investigation which was subsequently published by the Lerici publishing house. The Lerici publishing organization is managed by Professor Pedulla, professor of the history of Italian literature at the University of Rome, a socialist of the Giacomo Mancini faction; and METROPOLI is printed in the same printing house which prints Lerici's books.

Rome--Underrated by the major press, probably the most significant element on the procedural level for some months has been the Rome witness. An anonymous middle-aged individual, bloated with spaghetti, grizzled hair, methodical, quiet-living, work well paid although modest. He has no dark past: no previous criminal record, no time spent in any mental institution, perfect health, peaceful family, owns his own home of middle-class architectural style, and has the memory of an elephant.

He appeared on the horizon of the inquiry all of a sudden on the morning of 16 May when, meeting his acquaintance and fellow tenant, a police officer working at the local police station, indicated that he had serious suspicions to disclose. The witness briefly states the following: "I saw Toni Negri, or someone who is his perfect double, in Rome on the morning of 16 March. I do not know if this circumstance may be important. I recognized Negri from some photos published on the third page of the

MESSAGGERO on 8 May 1979. I then saw the same face again in the 13 May issue. I read something and discovered that my recollection, more than a year old but extremely clear, might be worth something."

Is what the witness reveals important? "Considerably important, the judges state, "not so much because Negri's presence in Rome on the morning of 16 March 1978, the day Moro was kidnaped and his bodyguard killed in Fani Street, might reveal very much; but it is of the greatest importance to know if Negri lied on this specific point. In fact, the professor has maintained and stated in writing that he was in Paris that day. And he submitted a short list of names consisting of four or five persons. The Rome magistrates have asked Interpol to find them and hold them for questioning during the trial, which will probably be held during the first 10 days of July. Can the witnesses cited by Negri really confirm the professor's alibi? Theoretically not. But before a people's jury in a court of assizes, the importance attached to witnesses for the defense cited by the defendant is not the same as that of a spontaneous and disinterested witness.

Of lesser importance on the procedural level and greater propaganda effect is the investigation of METROPOLI, the magazine of the autonomy founded by Scalzone and Piperno and considered by the judges, after the arrest of Valerio Morucci and Adriana Faranda and the interrogation of the landlord of the apartment hide-out at 47 Giulio Cesare Avenue, as a publication too near the area of the armed group. With an astonishing political sense of timing, it was rediscovered that the article on the Moro event published by METROPOLI was suspect in presumably being too realistic. Why, in the reasoning of the judges, did the article include Claudio Signorile, under-secretary of the PSI [Italian Socialist Party], among the mediators who negotiated with the Red Brigades? And it is a short step between the consideration that Signorile was really at the center of the mediation attempt and the thought that there are suspicious elements of realism in the magazine article.

Next, we have a second, allusive assonance: in the METROPOLI article, Moro is taken into a garage in the Prati quarter after the kidnaping. Valerio Morucci, possessor of the Skorpion Czechoslovak machine gun with which Moro was undoubtedly killed, is arrested at the end of this past May precisely at the center of the Prati quarter. A chain of associations leaps to the minds of the judges. Morucci is a gregarious historian of Franco Piperno and served as his bodyguard during the era of labor power. Piperno is the inspiration behind METROPOLI. Also working for METROPOLI are Virno, Castellano, Maesano and a few women closely associated with Piperno. Therefore, again referring to the reasoning of the judges, Morucci, suspected of having killed Moro or of being among the principal suspects of the Fani Street terrorist incident could have informed the METROPOLI collaborators first-hand, through Piperno, of the true end of the vanished DC [Christian Democratic Party] leader.

It is not a clear-cut logical trial; everything must be proved. For the moment, all the collaborators of the magazine of the Rome autonomy have appeared before the judges, except Lanfranco Pace, who is hiding out together with Piperno and who was one of the mediators with whom the PSI had contacts during the negotiations (as stated in Paolo Mieli's article). Among the authors of the now notorious article, the figure of an extremely professional expert witness is in attendance at the trial. The METROPOLI witnesses entrusted explanations and statements made in the article to an expert, one of the most sought after scenario writers of Lencio Productions, editor of illustrated crime stories of the "Grand Hotel" or "Bolero" type. It was not a question of a chance engagement. In fact, there is a connection between the scenario writer and the METROPOLI magazine men. The scenario writer chosen is also the wife of Paolo Virno, one of the three Rome autonomous agents accused of subversive association and participation in the armed gang, of whom it is said that they worked in cultural institutions closely linked with the PSI as well as in the Autonomy. However, to many observers these coincidences appear to be directed from afar by those who are interested in threatening the public image of the directorate of Corso Street and of having the "negotiating party" appear as being responsible not for a humanitarian negotiation but for ambiguous and selfish behavior.

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CSO: 8128/1703

'EL PAIS' EXAMINES ECONOMIC MALAISE AFFECTING BASQUE REGION

Unemployment at 8.57 Percent

Madrid EL PAIS in Spanish 27 Jul 79 p 35

[Text] The Basque Country has not escaped the recession which has beset the economies of the entire world. Olarra has been the one to warn of the current industrial situation in Euskadi, where the fact that iron and steel comprise the only industry has exacerbated the problem. The unemployment rate in the Basque Country exceeds the present average in Spain. Some of the small and medium-sized industry is not equipped to cope with the payments for this July, and government policy is being criticized because it is felt that the revaluation of the peseta has curbed exporting, an activity to which Basque business geared itself after the suppression of the domestic market caused by the worldwide crisis. Basque Country industry is also faced with specific circumstances of a sociopolitical nature which are not present with the same intensity elsewhere in the nation. Economic circles in Euskadi agree that the enactment of the Statute is vital to the revival of industrial activity, and upon the urgent need to reconvert the structures now supporting iron and steel as the sole industry. Ignacio Alonso is the reporter.

"Olarra is the tip of the iceberg." This comment by Jesus Dorao, an economist and attorney with credibility in the Basque Country, indicates the economic situation that Euskadi is experiencing. Basque business owners are striving to avoid legal action (suspended payments, bankruptcy proceedings) that would keep activity going in their companies and the workers in their jobs. However, they agree that the crisis they are undergoing will last for a long time, and will cause a higher jobless rate, which is currently estimated at over 8.57 of the active population.

The crisis in the Basque country is related to the evolution in the recessive Western economies, and to the Spanish economic process itself, which it has not eluded. But it also has two features which make it unique: its own internal structure (polarization in the single-product industry) and the unstable political situation that it is experiencing, which the Statute of Guernica could equilibrate to a large extent.

Olarra's Reaction

At the present time, the major Basque businessmen are maintaining an attitude of discreet silence regarding the crisis that is besetting industry, and the difficulties with which they are coping to keep business afloat. They feel that this is not the time to alarm the working class, but rather to negotiate alternatives for emerging from the crisis.

The action taken by Luis Olarra at the beginning of this month, to suspend payments, had two basic reactions: one, a positive reaction which has put the central administration on a sound footing, so that it is now seeking solutions to the critical industrial situation in the Basque Country; and the second, a negative reaction which has mobilized considerable numbers of small and medium-sized business owners to the doors of the big companies to collect their unpaid debts with threats, in some instances, of filing a collection order.

The financial status of small and medium-sized business is critical. In a poll sponsored by the General Confederation of Biscay Business Owners (CGEV), an organization affiliated with the CEOE [Spanish Confederation of Business Organizations]), the replies attest to this: 65 percent of the firms are up-to-date in their payments to the Finance Ministry for the first half of this year, and 68 percent are up-to-date in their payments to Social Security. But (according to the data given to the CGEV by the firms themselves), 64 percent predict that they will be unable to pay the taxes for this July, and 62 percent will be unable to pay this month's social security.

Single Product Industry

The economy of the Basque Country has developed on the basis of a single product industry polarized into three sectors: iron and steel-mining, ship-building and equipment. Here one discovers one of the reasons for the critical situation that it is experiencing: "Our excessive dependence on industrial sectors which are not so important as they used to be, comprised of full-grown industries with a slight capacity for growth, and industries which have grown too much (from an a posteriori standpoint), under the aegis of a productive structure which was non-competitive, both because of the internal regulation of prices and because of the tariff protection against European competition."

The three sectors (iron and steel-mining, ship-building and equipment) carry the greatest specific weight within the Basque economy. The three combined employ 54 percent of the active population in the Basque Country. As of 1970, the first one, iron and steel-mining, provided work for 25.40 percent of that population; and, in 1975, to 26.11 percent.

At the end of 1976, its contribution to the generation of the gross regional product stood at 52 percent of the total. On the basis of activities, there is an obvious preeminence in the processing subsector, which contributes 4

third of the region's gross added value, followed by basic metals, chemicals, construction and paper.

The third sector (services) ranks second in importance to the economic development of the Basque Country. It generates 42 percent of the gross regional product, and has sustained a considerable dynamic quality in its growth. Alava is the province with the least activity in this sector.

The primary sector, agriculture and fishing, has shown an obvious regressive trend in the Basque Country, with a 6 percent share in the generation of the gross regional product. The utilization of the land puts the forest area (mainly Guipuzcoa and Biscay) in first place, followed by the land under cultivation (Alava and Navarre) and the grazing and pastureland (Navarre).

Within the context of the Basque industrial sector there are considerable differences among the provinces. Heavy industry is typical of Biscay. In Guipuzcoa, the gamut is confined to a medium-sized, basically metallurgical industry (there are only 12 firms, with personnel exceeding 1,000 workers); and in Alava the metal processing industry of the most recent light type predominates.

Blast Furnace Leadership

The major industry established in the Basque Country caused a series of auxiliary industries to come into existence. The Bilbao Chamber of Commerce recorded a total of 1,456 for the month of January 1976.

The distribution of Basque industries based on number of companies is headed by Biscay, with 567; while Guipuzcoa has 495, Navarre has 230 and Alava has 166. These figures reflect a relative degree of reality when one considers the fact that, every day during recent months an average of three firms have suspended payments; and there has been a succession of transfers on their part, specifically in Eibar, a locality that has been abandoned by a total of 27 small and medium-sized businesses.

In Biscay, a total of 22 firms have personnel numbering over 1,000 workers.

The number of firms in the four provinces with over 500 employees totals 96: Biscay has 39, Guipuzcoa has 28, Navarre has 17 and Alava has 12. The total number in Spain is 542.

The leading firms with respect to the hiring of labor in Biscay are Blast Furnaces (the Baracaldo and Echevarria mills), with 9,393 employees; Spanish Shipyards, with 7,787; Echevarria, with 6,000; Babcock Wilcox, with 4,841; General Electric of Spain, with 4,239; Iberduero, with 2,788; and Olarra, with 1,932. In Guipuzcoa, the company (a cooperative in this specific instance) with the most labor is Ulgor, with 3,655 employees; followed by Echevarria, with 3,489, and Michelin, with 3,362 employees.

The worldwide crisis in 1974, which caused an immediate recession in all economies, started affecting Basque industry in particular in 1975. Its nature as an industry with production confined to iron and steel, combined with the industrial development of certain Third World countries (which have established more competitive prices on the foreign market), and the advanced technological development of certain Western areas, has contributed to the critical situation confronting the economy of the Basque Country.

All the secondary sectors have been affected. To name a few, in the ship construction sector Spanish Shipyards (Sestao, Olabeaga and Asua), the Cadagua Shipyards, Aspe Maritime, Ruiz de Velasco and Murueta are in a predicament of bankruptcy proceedings. The same holds true for Echevarria, Olarra, Llodio Steel and Amorebieta Forges, in the iron and steel sector; and Babcock Wilcox, in the equipment sector.

The auxiliary industry which is a supplier to and dependent on big industry, has been forced by this situation to adopt timely legal measures to regulate employment. Some concrete examples are Urbasa, Laurak and Elyma, which are engaged in derrick construction; Gipsa and Bol, manufacturers of roofing; and Aeronautics, which works with plywood material. The list could be expanded if one considers the fact that it is medium and small-sized firms which are suffering most from the consequences of the current crisis, from the standpoint of numbers.

Unemployment Above the Spanish Average

In 1973, during the height of the economic and industrial "boom" in the Basque Country, unemployment among the active population was 3.11 percent; and the number of jobless persons amounted to 29,000 in the four provinces. In Spain, the average unemployment rate was 5.09 percent, and the total number of jobless persons was 683,000. In December of last year, unemployment in Euskadi was 8.57 percent, whereas the Spanish average was 8.20 percent. At that date, the total number of jobless workers in the Basque Country was 84,800; which represents a 293 percent increase over the final month of 1973. However, the theoretical unemployment caused by the "discouragement effect" (individuals who do not bother to seek employment, because they do not think that they will find it) stands at 151,274.

Broken down by provinces, the unemployment in Guipuzcoa (owing to its small and medium-type industrial structure) is the highest, percentage-wise, with 8.56 percent unemployment of its active population. It is followed by Biscay, with 6 percent; Navarre, with 5.18 percent; and Alava, with 4.93 percent.

According to information from the Ministry of Labor for February of this year, the unemployment among individuals under 24 years of age is 44,625; representing over half of the unemployment in the Basque Country, and 20.7 percent of the Spanish total, which amounts to 215,154.

Because of the particular features of development in the Basque Country, 54.67 percent of the active population is employed in the industrial sector. In 1975, 26.11 percent of that population was working in the iron and steel-metallurgical sector, 7.16 percent in basic metallurgy, and 18.95 percent in processed metals; 9.78 percent was working in construction; 4.25 percent, in the chemical sector; 3.32 percent, in the food sector; 2.93 percent, in the lumber sector; 2.69 percent, in the paper sector; 2.47 percent, in the textile sector; and 0.72 percent, in the electricity, gas and water sector.

The prospects for the Basque Country's development during the 1980's entail an urgent need for reconversion and diversification of the present single product industry. The pressing problem at the present time, however, is to surmount the financial difficulties besetting the Basque business firms (the financial security in Guipuzcoa is an exception), and to avoid to a maximum degree the high unemployment rate that has been predicted.

Overly Dependent on Steel

Madrid EL PAIS in Spanish 29 Jul 79 p 35

[Text] Industry in the Basque Country, which has been geared for several years toward exporting activity, is suffering the effects of a revaluation of the peseta which has reduced the competitiveness of its products abroad. Under the present circumstances, the high financial costs are impeding any type of modernization of the industrial infrastructure in Euskadi. Also at the root of the Basque crisis is the armed violence, with negative effects on investment, as well as the existence of an entrenched trade unionism that is often committed to political demands. An exception to the rest of the nation, the Basque Country has incorporated into its gamut of trade unions a constantly escalating nationalist option. At the heart of the crisis is Lemoniz, a politicized nuclear powerplant concerning which no one (either a political, economic or trade union force) dares to hazard a guess as to its opening. However, all sectors are aware of the fact that Euskadi is completely dependent on the energy produced outside of its provinces. Ignacio Alonso is the reporter.

The origin of the Basque industrial crisis has five coordinates. Two have affected Spanish business owners as a whole: the revaluation of the peseta amounting to 20 percent with respect to the mark, or the dollar in recent months; and financial costs which have set the cost of money at over 16 percent. Two other major factors are autochthonous, represented by a difficult sociopolitical and labor situation, and an atmosphere of violence which has magnified the previously mentioned circumstances. And, above all, the worldwide economic crisis that is afoot; one which has, since 1974, made all the economies recessive, as well as the latest and current energy crisis, the cost of which has not yet been estimated.

The industry in the Basque Country developed for years on the basis of a governmental protectionism which guaranteed the sale of its products on the domestic market. The 1974 international crisis was late in reaching Euskadi. At the end of that year, its industry was at the height of its productive and commercial euphoria. The first half of the next year was good for the Basque economy, generally speaking. After that date, the recession began to be in evidence on all levels.

At the beginning of 1976, the worldwide energy crisis had suppressed the domestic market, which forced Basque industry to gear itself strongly to exporting activity. The competitiveness of prices, marked by a transitional political situation in Spain and a devaluation of the peseta on the international stock markets, fostered such external development.

The subsequent policy for battling inflation maintained by the Spanish government, and the hike in the peseta on foreign markets (double the amount in the OECD [Organization for Economic Cooperation and Development]), have curtailed the exporting opportunities of the Basque Country, which made a total of 160 billion pesetas in that area last year, and are causing companies engaged in that activity (Olarra Steel sold 75 percent of its products abroad) to encounter real problems involving available financing.

Basque industry is also faced with competition (particularly in the iron and steel industry) from Third World countries which have more competitive prices and which are at the height of their industrial development process.

Basque business owners are currently criticizing the government harshly, complaining that the exporter has been cut off from the process of forming the exchange rate that has been created from the introduction of capital and tourism.

Single Product Crisis

The financial status of industry in the Basque Country is on a par with that of the rest of Spain. The business firms have a heavy external debt and insufficient funds of their own. In response to the repeated demands from business owners for a reduction in the cost of money, which currently amounts to about 16 percent, the banking institutions say that this is impossible so long as the present inflation rate, which is nearly 18 percent, continues. This cost of money has definitely curtailed investment.

The single iron and steel industry that exists in the Basque Country, which is directed toward three areas: iron and steel, equipment and ship construction, is the one which suffered most from the 1974 crisis. Starting that year, in the iron and steel sector of other countries an investment plan, government aid and a system for making personnel rosters flexible were established, which was not done in Spain. Moreover, the tariffs for these products increased moderately. And this, combined with the ambitious industrialization programs of Third World countries such as Brazil, Korea and

Algeria, which have lower costs for exportable products, forced the Basque industry to curtail its production rate, which now amounts to 70 percent of its potential; and this is due to some amazing figures on exports which, in many instances, have been made at a loss. In 1974, Spain was the third-ranking world power in ship construction. That prompted a great deal of investment, which the present recession is converting into a negative factor, as demonstrated by the situation that Spanish Shipyards is experiencing.

In the equipment sector, Basque industry is battling against advanced technological development in many Western areas, and a prestigious image which is as important as, or more important than the favorable prices on the foreign market. If one adds to this situation the virtually non-existent investment in the sector, the freeze on the national energy plan and that on the iron and steel plan, one realizes that orders have now been depleted.

Difficult Sociopolitical Conditions

The sociopolitical conditions surrounding Basque development have two definite trends: the first, marked by a political (Statute of Guernica) and labor type atmosphere of demands; and the second, typified by the violence of the armed groups.

Insofar as the violence of certain radical groups, such as the ETA [Basque Fatherland and Liberty Group], is concerned, it has had a direct effect on Basque industrialists through the revolutionary tax, and an indirect effect on investments in businesses. However, this factor cannot possibly be gaged from an economic standpoint, and many voices have been raised in this connection. In the opinion of Jose Luis Ibanez, deputy director of the Bilbao Municipal Savings Bank, it is "the business owner himself who is exaggerating the mood; many have sought protection from the violence so as not to invest." According to Luis Angel Lerena, chief of the economic studies service of the Bank of Bilbao, "The terrorism may hurt industrial reconversion, but its effect and influence on investment cannot be exaggerated."

The universal aspiration in the Basque Country for a Statute of Autonomy is considered fundamental to the region's economic development. Industrial, financial, trade union and political circles agree that the Statute is the starting point for a new upward progress. According to Jaime San Sebastian, secretary general of the UGT [General Union of Workers] of Euskadi, "It could be the first step toward coexistence in the country, although it is extremely important that its backers not leave any pens behind or attach any clippings to it; because they would be used by the Abertzale left."

The fact that there was a 1.23 point rise on the Bilbao Stock Market on the day after the Statute of Guernica was agreed upon by the Constitutional Committee and the Basque parliamentary group is a fact attesting to its importance. However, there are many problems which are anticipated with regard to its implementation, since it is suffering at present from a "lack of economic and human resources."

Between January and May of this year, 2,25 million work days were lost in the Basque Country, a fact which gives an idea of the labor disputes.

Trade unionism is deeply entrenched in Euskadi. Its spectrum includes a nationalist option, ELA-STV [Basque Traditional Catholic Labor Union-Basque Workers Solidarity], which does not exist elsewhere in Spain. It tolerates leadership with the UGT and Workers Committees; it has a "resistance box;" and it upholds "an autonomous framework for labor relations" for the Basque Country.

The severe labor disputes have two trade union explanations. In the view of Jaime San Sebastian, "We have not engaged in trade unionism, but rather anti-Francoism. We may, at times, exaggerate our stances, out of atavism. But we have the same environment as in Franco's time, and we are being hit with bankruptcy proceedings at every turn." The second explanation, in the opinion of Jose Elorrieta, a member of the ELA-STV executive committee, is that, "The Basque business owner has not yet accepted the role of the trade union movement in an industrial, democratic society."

Managerial and labor organizations are agreed on the urgent need for a framework for labor relations wherein the respective forces will be gaged, and there will be a stop to "taking a rest" in negotiations.

The business owners, in turn, accuse the trade unions of not representing the working class, and stress the fact that relations have become complicated because of the large number of unions seated at the negotiating table.

Lemoniz, Yes; Lemoniz, No

Hovering over the industrial scene in the Basque Country is the shadow of the Lemoniz nuclear powerplant, a politicized issue, wherein no one has come out either for or against its opening. No political, social or economic force has expressed a definite "yes" or "no," although the problem has been approached. According to Jesus Dorao, an attorney and economist, to bring Lemoniz to a standstill "would entail an unprecedented chain reaction in the current crisis, and would deal a death blow to the Spanish stock markets." The investment made in the Lemoniz powerplant amounts to 80 billion pesetas; and the company which owns it, Iberduero, has 25,000 shareholders in Biscay, 100,000 in the Basque Country and 300,000 in all of Spain. Lemoniz represents a third of Iberduero's stock.

According to Jesus Dorao, the nuclear option is indispensable. Without it, we cannot live. The energy that we have in Euskadi is limited, and in the rest of Spain there is virtually no natural gas nor coal sources, and the hydraulic resources have been depleted. To bring the nuclear powerplants to a halt would entail a cost of 200 billion pesetas; in other words, 10 percent of the gross capital formation. By 1995, we would have to build such a large number of conventional thermal powerplants that we would be forced to import 50 million tons of coal, which would be absurd for our balance of payments."

Need for High Technology Industry

Madrid EL PAIS in Spanish 31 Jul 79 p 43

[Text] No one in the Basque Country has any doubt that the revival of the economy requires an industrial reconversion; that is, the establishment of types of industry in cycles which would not withstand the crises simultaneously. The Basque business owner places emphasis on the creation of a high technology industry which would generate "white-collar" jobs. However, some authoritative spokesmen feel that, in order to be competitive, such products must enjoy a very prestigious image, and point to machine tools, on the intermediate technological level, the markets for which are in the developing countries, as a possible goal for the reconversion. The economic agreements contained in the Statute ("funds accrued in the Basque Country must be used for financing in the Basque Country") are considered a major part of the foundation for reconversion. Concurrently with them, there is flourishing in Euskadi a highly skilled working class, as well as expert entrepreneurs, the two great assets which it has at present. Ignacio Alonso is the reporter.

The future of the Basque Country's economic development requires industrial reconversion; that is, diversification, or the establishment of other types of industries in cycles which would not withstand the crises at the same time as the equipment industry. It is not known toward which activities this renovation must be directed, and there are no detailed studies on it. However, it has been predicted that the transfer of manpower from one industry to another will entail a higher unemployment rate during the next 4 or 5 years.

Basque industry, owing to its nature as a single product iron and steel industry, is one that is dependent on its end products. The excess capacity that has been generated, and the challenge of entry into the European Economic Community, which involves a higher degree of competition with regard to quality and prices, necessitate a diversification of sectors and markets.

At the present time, the Basque Institute of Studies and Research, supported by financing entities, Chambers of Commerce and business firms, is making a study of the possibilities of reconverting Basque industry. Although there are no conclusions regarding the report that is being prepared (the study is in the first stage), the major areas wherein industry will be developed within a short period of time can, indeed, be discerned.

The current situation reveals a domestic market which is not absorbing the production from its economy. The Basque Country's industry is faced with a twofold competition on the foreign market: that of the Third World countries, engrossed in ambitious industrialization programs which affect the traditional Basque iron and steel-metal and shipbuilding sectors, and that of the Western countries with advanced technological development, that is, industries with top-flight "white-collar" technology, in which various Basque industrial sectors have placed their hopes for reorganization.

Insofar as electronics is concerned, there is no in-depth study on its feasibility, apart from the fact that, in the area of high technology products, the prestigious image is as important as favorable prices, or more so.

The same lack of information applies to precision machinery, which has been mentioned often in the Basque Country for several years, and petrochemicals, a sector that is expected to reach a peak, although the range of byproducts (paint, cosmetics, etc.) could encourage major investments.

Nevertheless, these three new sectors: electronics, precision machinery and petrochemicals, would represent greater added value for the Basque economy. Juan Luis Llorens, department chief of the IKEL [expansion unknown], maintains: "We are not interested in becoming stultified in the final step of technology." And he notes that one goal in the industrial reconversion of the Basque Country might be the development of machine tools, on an intermediate technological level, to be sent to a market of developing nations in need of that type of machinery, which generates employment. That market is located primarily in Latin America.

Within the services sector, which generates 42 percent of the Basque Country's gross regional product, the development of data processing as an auxiliary subsector of industry is anticipated; but it has not yet gotten under way.

One of the main problems still facing the Basque Country is that of checking the uneconomical situation that has occurred in terms of congestion and infrastructure in the two coastal provinces, Biscay and Guipuzcoa; which has caused a considerable stoppage in the development of their industries. The accumulation of industries is so great that, at the present time, real urban blunders are occurring, as well as a certain amount of industrial displacement from Biscay to Alava.

Running parallel with this are the collective aspirations for durable goods, which have not been promoted during the past decade. There is the matter of pollution. Some firms, such as Echevarria (with 425 million), Babcock Wilcox (with 431 million) and Nervacero (with 185 million), have been pursuing a policy of placing restraints on the environmental problem.

All sectors are in agreement (the Statute "does not disturb" the CGEV) that the economic agreements represent the first step toward dealing with the Basque Country's immediate future, "although, at best, too much confidence has been placed in them," according to Luis Angel Lerena, head of the Bank of Bilbao's economic studies service, who adds: "And the Statute could create temporary problems stemming from the impact of the transfer of authority."

However, in the opinion of Juan Luis Llorens, "The industrial transformation of Euskadi requires credit intervention by the Basque public sector. The funds accrued in the Basque Country must be used for financing in the Basque Country. And the Statute is fundamental."

Concurrently with the adoption and implementation of the Statute, the presence of financing sources which will keep the medium and long term interest available is considered necessary. In this regard, banking circles have started to study the philosophy of their future life. At present, they are playing a role as promoters of industry in the Basque Country. And, according to Luis Angel Lerena, "The banks now see clearly that it is impossible to make a drastic shift in policy and give up that promotional position." The dilemma for the banks is to retain their role as promoters or to definitely perform an exclusively commercial function.

The resolute intervention of the public sector, the strengthening of the stock market and the need for a stable labor and sociopolitical atmosphere are the last three conditions required for starting to surmount the crisis.

Management and Labor Assets

The two great assets which the Basque Country has for emerging from the critical situation in which it finds itself are an expert, bold entrepreneurial class, and a highly skilled working class.

There are in Euskadi two distinct types of business owners: the small and medium-sized business owner, who was originally a factory worker and who managed to build up his own company through perseverance; and the big business owner with strong political connections.

In the opinion of Jose Luis Ibanez, deputy director of the Bilbao Municipal Savings Bank, "Big business is not resigned to giving up the role of protagonist in political life; it does not like to lose centers of power, and seeks to take over the legislative and executive functions. This is opposed by the political parties, which want the new 'status quo' that came into existence with democracy to be accepted."

Alongside the big businessman, there has developed the small and medium-sized businessman, whose industry "has not been protected," nor has it had the privileges of big business, playing a stabilizing role over the medium term. "He is one of the bases for progress in the Basque Country; combines capital and labor in the simplest manner; he is familiar with the Basque problem, and he does not transplant his industry outside of the region."

One significant fact regarding the importance of business owning in the Basque Country may be that only 3 percent of the autochthonous population has assumed the status of civil servant.

Eduardo Larrea, head of the General Confederation of Business Owners of Biscay, in order to explain his personality, remarks that the Basque business owner, until a few years ago, made every possible attempt to appear to others as a self-made man, who owned a business and made his living from his own resources. To ask for credit "was like a stigma."

The second great asset of the Basque Country is its working class, which has increased by over 70 percent over a period of 25 years.

The final decade of Francoism coincided with the best period of development for the world economy in its history. During this interval, the Basque people acquired a high standard of living, and incorporated into its labor force thousands of people who had emigrated from other parts of Spain. The population grew from 592,784 in 1950 to 1,010,671 in 1976. * Approximately 80 percent are wage-earners.

The available information on the future active population,* "based on a reasonable hypothesis," place it at approximately 1.2 million by 1985, and at about 1.5 million employees by the year 2000. The skepticism regarding the growth of the active population is great, as a result of the process of economic recession. If the industrial reconversion, and hence the transfer of resources from one sector to another, warrants anticipation of an unemployment rate exceeding the present 8.57 percent, "in a few years Biscay will have serious problems in providing jobs to accommodate its vegetative growth," and "thousands of families might have to leave Biscay."

Western Reaction

All forecasts indicate problems in production and employment for the next few years. However, both economic and labor forces agree on the desire to pool efforts to prevent the crisis from causing even greater social costs. Jesus Dorao comments: "Our generation experienced the end of a glorious era, and will now experience an era marked by difficulties until the year 2000. Our generation is doomed to an energy shortage, but I trust in the capacity of Western reaction."

*Data from the Bilbao Chamber of Commerce

2909

CSO: 3110

'AYDINLIK' REPORTS RIFT IN TURKISH COMMUNIST PARTY

Istanbul AYDINLIK in Turkish 30 Jul 79 pp 1, 7

[Text] News Center--The TCP [Turkish Communist Party], which has its headquarters in East Germany, has split into two factions. The internal dispute that has been simmering for some time, came to a head in a speech by I [Ismail] Bilen, secretary general of the TCP Central Committee. Bilen charged that a clique outside Turkey has "launched an attack on the party's unity."

Disagreement on the party's civil war policy is blamed for the division of the TCP as the "British wing" and the "East German wing." The British wing, which published its views in the ISCININ SESI [The Worker's Voice], calls for "overt, undisguised provocation of civil war," while the East German wing argues for "covert and surreptitious encouragement" for the time being and recommends "caution." The East German wing describes the rival faction as "adventurist." The British wing calls its opponents "right opportunists."

Bilen's Speech

In a speech broadcast by the Voice of the TCP on 22 July, Bilen declared that he will no longer support "Turkey: The Weak Link of Imperialism," a pamphlet which has served as the basis for the party's civil war policy. He went on to accuse the supporters of the pamphlet of attempts to drag the party into an adventure, and of trying to splinter it. Bilen said:

"The position espoused in this pamphlet (Turkey: The Weak Link of Imperialism), and the reasoning it offers are contrary to our party's policy built on a Marxist-Leninist foundation. The pamphlet can only drag the working class into an adventure. It is undermining our party's efforts to perform its current civil war-related functions, and to carry out its mission of preparing the masses for even harsher battles. Moreover, the pamphlet is undermining our work by a devious method designed to mislead people, particularly the party's sympathizers, the revolutionary youth, and the enlightened circles.

"The pamphlet uses my name and the party's documents [presumably press organs] as a shield for its efforts to disseminate its own views. We observe that a newspaper, printed abroad, which defends these views, has launched an indirect attack on our party's unity. It should not come as a surprise if one day soon they discard the shield they have been hiding behind and launch an overt attack. We must remain alert and take a firm stand against this type of deviations and petit Bourgeois talk. Sovereign circles are fishing in muddy waters. The party's central organ is the body that sets the right direction of our war policy. It is the compass that will keep us from losing our way."

Bilen also accused the British wing of "misrepresenting the organizations which are united for action to safeguard the security of life by depicting them as combat and insurrection organizations."

Background of Rift, Bilen's Repudiation

The Pamphlet "Turkey: The Weak Link of Imperialism," which is cited as the major source of the rift, was published in early 1978, at which time it received Bilen's approval. A second and a third printing followed in December 1978 and March 1979. Bilen voiced no objections to the pamphlet during that period either. It was after the policies espoused in the pamphlet caused a backlash that the argument grew louder. Existence of a dispute finally became public when Bilen declared he was withdrawing his support of the pamphlet and took a position against the British wing.

The pamphlet, which was issued by the Worker's Voice Publications, is by an K. Yurukoglu. It urges intensification of efforts to provoke a civil war and to further anarchy, and to achieve these ends, it says, one should have no reservations about exploiting ethnic differences.

Opponents of the pamphlet argue that a policy of this type is a long-term strategy. At the present, they say, it is inadvisable to present oneself as an advocate of a civil war. According to this group, at the present, provocations should be kept covert, surreptitious.

Until now, the Bilen-led central clique did more than support the pamphlet, they put the ideas in the pamphlet into practice in Turkey.

In the closing months of 1978, the cadres in Turkey were instructed "to set up war organizations" (ATILIM [Initiative], November 1978). It was also then that calls were issued for united action to several pseudoleft groups which earlier had been criticized as gauchists (ATILIM, January 1979). The TCP cadres were ordered to take over the leadership of these groups. Moreover, the party indicated that it will consider making concessions for the sake of bringing about a unity for action. Its press organs printed articles on the necessity to form "camaraderie in arms."

The foreword by William Pomeroy is sufficient evidence by itself that the pamphlet "Turkey: The Weak Link of Imperialism" was written by Bilen.

Pomeroy and Bilen are close friends. Pomeroy, a leading member of the American Communist Party and a favorite of the Russians, would not have agreed to write the foreword if the request had not come through the TCP.

Reaction Leads to Split

The TCP's Soviet-instigated activities, particularly its attempts to incite anarchy, created a harsh backlash during the past 2 years. TCP people lost their hold over the administrative body of the DISK [Confederation of Revolutionary Labor Unions]; at ERDEMIR [Eregli Iron Works] and the Iron Foundry, once strongholds of the Mader-Is [Metal and Metal Works Industry Workers Union], workers rose against the TCP and quit the union; TCP-affiliated groups lost their power over, or leverage in various societies and associations. These developments led to splits in the administration of the TCP organization. The Turkish Worker-Peasant Party launched a campaign to expose the real face of the TCP which, until then, had been presenting itself as "a socialist party." The worker-peasant party's campaign jolted the worker sector and the intelligentsia. The cumulative effect of the developments on the TCP's standing was loss of prestige. That led to charges and countercharges among the party's various wings, squabbling factions began to advocate opposing views.

7244

CSD: 4907

SOYSAL FAVORS RPP-NSP DIALOGUE AS STEP TOWARD NEW 'SYNTHESIS'

Istanbul MILLIYET in Turkish 1 Aug 79 p 2

[Column by Muntaz Soysal]

[Text] Recently, the large newspapers of the Right have begun to print reports to the effect that the RPP wants a rapprochement with the NSP. Supposedly, the RPP is pursuing a new coalition, the RPP is preparing for a new dialogue...

While nothing of this sort shows any sign of materializing so far, the publication of this sort of reports could be aimed at the following two goals:

The first would be to address the NSP voters and, by saying "Look, your party is getting ready to cooperate with the leftists", to attract their votes to the JP and NAP during the coming elections.

The second would be to call out to the "Ataturkist" wing of the RPP and the nation's "progressive" forces and, by saying "Ecevit has gone so far astray as to be getting ready to cooperate with the religious fanatics", to steal the support of these groups away from the party currently in power.

But, beyond these short-term calculations, the thing that really worries one portion of the Right, and even induces a little panic, would be for a real dialogue and rapprochement between the RPP and the NSP to be established.

In fact, even though, again from the standpoint of the short-term calculations of the Right, it might appear a desirable thing for the NSP to enter the government before the elections and then break down, the fears created by the thought of such a partnership are far greater than any such petty calculations.

For the most "explosive mixture" in Turkey's political life would be for the RPP and NSP to join together. Such a rapprochement endangers two phenomena at their very foundations:

The first of these is Turkey's state of economic and political dependency on the Western world.

The second is the system of exploitation, with its extensions abroad, which has been set up within the nation as a result of this dependency.

It is because these two dangers come into the situation in conjunction with any RPP-NSP rapprochement on the agenda that two other dangers secretly come onto the agenda as well.

The first of these is the danger of the collapse of the tradition of a serious state: the actions of Erbakan and his party during various periods in power and within various coalitions cannot be considered compatible with the gravity sought in statesmanship and government administration. The NSP's partnership in power would amount to the end of the state.

The second danger is that of the loss of laicism. It is said that, with the NSP, a half-century tradition of a secular state will be demolished, and Turkey will enter the path of becoming a religious state. A party in power composed of the NSP would be perhaps the greatest of betrayals from the standpoint of the secular republic.

The strangest aspect of the matter is this: Although these are all "dangers" when there is a partnership between the NSP and the RPP, if the NSP is included in coalitions formed by the Right, it ceases to be a danger and is considered natural.

Actually it is because the RPP-NSP dialogue is the beginning of a new synthesis, which eliminates the possibility of even presenting all these as "dangers" and, going beyond the parties, reaches a new depth, that it seriously frightens Turkey's current Right.

The synthesis in question is a synthesis which, by means of a contemporary political mechanism, would be able to establish Islamic values on the basis of a revolutionary economic and social system.

Let those who wish say "There can be no reform in Islam" as much as they may desire; yet, because the realization of such a synthesis would be the first step in a great movement for reformation in Islam and at the same time would enable it to be a new explosive force in the contemporary world, the ones who really fear such a synthesis are not the traditionalist proponents of Islam but rather the circles of foreign exploiters who have succeeded in making use of Islam's stagnation for their own interests.

Although none of the current "progressive Islamic regimes" from Kaddafi to Khomeyni has yet been able to actually bring about such a synthesis, and although they from time to time have fallen prey to fixed ideas which have given an unintentional advantage to their opponents, even such slight intimations of activity have aroused echoes which greatly alarm the Western world.

It goes without saying that such a difficult and all-encompassing matter cannot be accomplished merely by bringing together a handful of party leaders in Turkey, that the goal to be attained demands a great deal more profundity.

And this is true.

Yet, within the community of Islam, Turkey, as a nation which has taken steps toward the threshold of becoming a contemporary industrial society, possesses the distinction of being the most appropriate laboratory from the standpoint of the practical problems which must be solved for such a synthesis to be realized.

In other words, the RPP and NSP may not be able to reach an understanding easily on the meaning of laicism, but they could easily establish a common ground on topics such as creating a non-exploitative system appropriate to Islamic values or building up industry not dependent on foreign sources.

For many people, it is just this which is so frightening.

9173

CSO: 4907

'MILLIYET' PREVIEW'S DEMIREL STRATEGY FOR UPCOMING ELECTIONS

Istanbul MILLIYET in Turkish 6 Aug 79 pp 1,12

[Text] The elections which will be held 14 October to renew one-third of the Senate and the by-elections in five provinces are the most interesting barometer of recent times for Turkey. Perhaps five Deputies is not a great number in itself. But, according to the Assembly arithmetic suggested by Justice Party circles, in particular, the sensitive equilibrium on which the Ecevit government is based may be faced with a very difficult ordeal as a result of the by-elections.

The quantity and distribution of votes in the election will reveal perfectly clearly to what extent all the parties have been able to hold to their former positions. Demirel's most ardent desire is to be able to demonstrate a Justice Party gaining in strength, in opposition to an Ecevit RPP losing political support.

The JP is working on several fronts simultaneously toward this:

In particular, efforts are being made to ensure that the JP attracts the support of at least a portion of the popular masses who in recent periods have been giving their votes to the RPP. The JP's hope in this area is that the image of "Ecevit, our hope" will be able to be utilized against Ecevit personally.

The Justice Party conceives high prices, shortages in certain goods, and economic hardships to be its natural allies in this.

However, Ecevit's RPP is also conscious of the degree to which these themes can be used in attacks against it. In order to regain the trumps in Demirel's possession, the government is engaged in "quick fix" efforts in the economic area to pull itself together and ease the situation. The Ecevit administration, benefitting by raising the difference between domestic prices and foreign sales prices created by the latest devaluation, as well as by raising the purchase prices on agricultural goods, is also able to cite that foreign exchange transfers will reach 1.5 billion dollars by the end of the year.

The goal is plain as day: not to hand over easily, particularly to the JP, the "army of the dissatisfied" whose continued increase the JP so much desires.

As for the Justice Party's second field of activity, this is oriented toward regaining those groups of former voters seen to have left the party. It is without doubt desired that Demirel and the NSP or else NAP be supported within the spirit of having a "common enemy" in the Ecevit administration.

However, it is a secret to no one that the ones who have "created the holes" in the Justice Party's mass popular support are the parties of Turkes and Erbakan, not Ecevit.

The JP's more unique and, from the outside, not sufficiently perceived strategy is to swing the nationalist and Islam-minded groups back into the JP fold. The intricate tactics of this effort have been revealed by the JP leader's asking Ecevit personally, who complains of the connection between the NAP and terrorist activities, why the RPP "has not appealed to the Constitutional Court to close down the NAP." Even if, afterwards, following the reaction of NAP supporters, a statement was issued to the effect that the JP did not have its eyes on NAP votes...

What so far is not clearly known, however, in contrast to these delicate calculations of the JP aimed at its own rank-and-file, is what the partners in the former Nationalist Front think of all this.

It is thus obvious that the October 1979 elections will not serve as a barometer only on the topic of Ecevit and the RPP. The ordeal will also be experienced by the other opposition parties as well. Especially if, all of a sudden, the ground under their should be yanked away...

9173
CSO 4907

SPECULATION ON RPP CANDIDATES FOR OCTOBER ELECTIONS

Istanbul CUMHURİYET in Turkish 5 Aug 79 p 12

[Text] As the elections approach, the parties have begun their calculations with regard to the future. Arguments are going on as to which party will gain how many Senators from where, and who will win the Chamber of Deputies elections in the five provinces. Within the RPP, there are those who look toward Konya with hope. They are thinking that there will be a rivalry among the opposition parties — the JP, NSP, and NAP — and that the RPP will benefit from this. Konya is the election district of the general secretary, and Mustafa Ustundag is also devoting a special care to party activities. The result of the election, however, also depends to some extent on the candidate. The RPP leaders reflected and then found a candidate for Konya: Ozer Olcmen, a former Deputy from the Democrat Party. Now it is desired that this politician, who gave eloquent speeches on the Assembly podium last session, and who performs well in the struggle with the opposition, be included among the RPP. When so many transfers are being made, and when the Democrat Party and the RPP are partners, and above all when the condition of the Democrat Party is so plain to see, it is quite natural to suggest to Ozer Olcmen that he become an RPP candidate. And it cannot be said that Olcmen will be incompatible with the RPP. The young politician, however, appears to be quite happy at leaving his father's profession and returning once again to his former profession — engineering — and at doing positive, tangible work. He answered a question about the RPP's proposal as follows:

"I cannot reveal anything with regard to the making of this proposal; however, I am definitely determined not to return to politics."

One wonders whether the RPP committees will be able to change this decision of his.

There are those who claim that the RPP will pick up votes in other provinces as well. Certain Ministers are saying after their latest travels around the country that Thrace has changed greatly, and that this change will be to the benefit of the RPP. They also say that Cevat Sayin, running as a candidate from Edirne, has a good chance. Then there are those who claim that, after

the latest price floors, the atmosphere has greatly changed in Aydin, Mersin, and Mugla. And some party members are speaking as follows:

"If we remember that we are the party in power, our chances in the election will improve."

9173

CSO: 4907

HURRIYET NOTES SIGNIFICANCE OF OCTOBER ELECTIONS

Istanbul HURRIYET in Turkish 6 Aug 79 pp 1,8

[Article by Cunevt Arcayurek]

[Text] Ankara: The party leaders and central committees are involved in intense, "internally directed" activities pointing towards the October by-elections. If one looks at the conclusions obtained from my three days of conversations in the capital with their top-level officers, both the RPP and the JP are ascribing extraordinary importance to these elections. For the October by-elections have far surpassed the point of being evaluated as merely the election of fifty Senators and the filling of five empty seats in the Chamber of Deputies. For instance, if the group winning the five Deputy seats in October is the opposition, then it will immediately begin activities on 15 October aimed at deposing the Ecevit government. In fact, it will immediately call the National Assembly into session, which would normally begin meeting on 1 November. This result of the by-elections would be just the first stage of the crises awaiting Turkey in the months ahead. If the government goes and, according to the mathematics of the Assembly, it is impossible for a multi-party government without Ecevit to be formed, then we will be face-to-face with a governmental crisis which could very likely last for months. And while we are suffering the effects of this crisis, a second crisis could emerge in all its starkness: the problem of the Presidency of the Republic.

Koruturk's term as President ends on 6 April 1980. But it is only natural for the political agitation over who will be placed in such an extremely important position to show an intense upswing in December or even the middle of November.

The focal point of these two crises — their possible solution, to a certain degree, or else their reaching an even greater level of intricacy — is dependent upon the by-elections on 14 October, and for this reason, the October elections have begun, perhaps for the first time, to gain great importance, as they will affect the two main elements of the state, its body itself: the government and the matter of the Presidency of the Republic.

JP's Goals

While JP leader Demirel says that, contrary to rumors, their efforts to bring down the government have not been "relaxed", he does not conceal in private conversations that — for the time being — they are continuing their efforts "behind cover". However, the calculations with respect to the by-elections made by the JP Staff Council, which comes into being in the presence of Demirel, present extremely interesting lines.

In order to present the main thrust of these calculations, it is necessary to know what the JP expects from these elections and what plans they are making for the future based on the results of the elections. There is no doubt that the JP members, and especially Demirel, are calculating along definite lines that they will go into the elections to be held for 50 Senators with 19 Senators and will return to the capital with 31 Senators as a result. With 31 Senators from this election, the future strength of the JP in the Senate will rise to 75 people.

In opposition to this, the RPP's fate, according to the JP strategists, could be as follows: The RPP group in the Senate today stands at 77 people. Twenty-four of their Senators are running in the elections, and it is likely that they will emerge with 20 Senators, a loss of 4 seats. This result will bring the RPP's strength in the Senate down from 77 to 73.

In addition, the JP are definitely assuming that they will win the five empty Deputy seats from Manisa, Aydin, Mugla, Konya, and Edirne. Five Deputies' seats would be a quite significant factor in the matter of whether or not the Ecevit government falls. And even if, in spite of everything, the JP does not win five Deputies' seats, they figure according to their calculations of a probable three that the opposition front will certainly bring the curtain down on the present government. The scenario presented to me on this matter is as follows:

"...If the JP wins five seats in the Chamber of Deputies, the opposition strength in the Assembly will rise to 228. If the JP wins four out of the five, this same result will still be obtained. In fact, even if, by the slightest possibility, the JP takes only three seats, the opposition in the Assembly will still be 226; it will be able to call the Assembly into session whenever it wishes, it will be able to bring down the government, and it will be able to exert its influence to whatever degree it desires during the events of the formation of the new government..."

This calculation serves to show that the Ecevit government will have reached the end of its rope in October.

If the elections for Senators do yield the results which the JP conceives and assumes, what will the party gain? This question's four significant answers are as follows:

1) The Justice Party will obtain the Senate Chairmanship during the next period of its life. According to an inter-party "gentlemen's agreement", the Chairman is chosen from whichever party possesses a majority in either the Senate or the Chamber of Deputies. If the calculations are valid, the JP will win the Chairmanship in the Senate by virtue of having two more members — 75 to 73 — than its rival, the RPP.

2) If the numerical balance in the Senate is changed in this way to favor the JP, then the JP's other target will be the Turkish National Assembly. With a development in its favor by means of these results in the numerical balance in the combined session of the two Assemblies, the JP, along with the other opposition parties, will have "a very big say" in extremely vital issues of state, from the extension of martial law to the formation of investigatory commissions and even the selection of the President of the Republic.

3) The JP, about to bring down the current government by gaining five new Deputies' seats, realizes that it holds within its hands the possibility of forming a new government. Everyone in its administrative echelons says clearly that it is not seeking an opportunity for a third Nationalist Front adventure — especially under the pressure of a revitalized organization.

4) Top-level JP officers — and I am certain that Demirel thinks the same thing himself — are stating that if any party gets a percentage of the vote as high as 45 percent in these elections, this will indicate a "desire for an early general election." It is plain and clear that they feel no doubt whatsoever that the party achieving this percentage of the vote will be a candidate to be "sole party in power" during the first election. Because:

In 1961, the party achieved 34 percent of the vote; this percentage rose to 49 percent in the 1964 by-elections for the Senate, and finally, in the 1965 general elections, the percentage was 52.8, a figure very difficult to reach. Today — according to the 1977 elections — JP votes are in the area of 38 percent. They reason as follows: "Under these conditions, why shouldn't the total increase to 45 percent in the Senatorial by-elections? And, as the natural result of this, why shouldn't the JP come to power on its own in the next general election?"

But, what appears "for now" is that, in conjunction with the October elections, there is a two-staged political crisis at our door. The likelihood that the government will fall is great, and, on every side, even abroad, this is the expectation.

For this reason, the October elections give the appearance of being likely to have a very great impact on our political life. If the JP's assumptions and beliefs concerning the election results are realized, the JP calculations enumerated above will be proved almost entirely accurate.

The JP believe that they will gain almost all of the five Deputies' seats. However, both the mathematical calculations and a number of other indications could be saying that the four large political parties will have a close race

in Konya, and that for this reason Konya is definitely not sewn up for the JP. In that province it is natural for the JP to want to achieve the best results by forming a coalition with the NAP, and for the RPP to want to do the same thing with the votes of the DP [Democrat Party], which is not entering the election. As for what will happen in Edirne, this is not yet clear; the RPP had a 20,000-vote margin of victory in that province in the last election. As to what extent the performance of the government has influenced this margin against the RPP, only the voters know this. It is natural for the RPP not to cherish great hopes in provinces such as Mugla, Aydin, and Manisa. There is no doubt whatsoever that the JP is strong enough in these last three provinces to win their seats in the Assembly.

What is the JP counting on? Demirel could give the following answer to this:

"...On the desire of the citizens to finally be saved from the suffering our nation is experiencing: that's one thing. The second thing is that, if there is no change in the voting after such bad leadership, the question of what democracy itself is to count on could come under discussion..."

The JP plan is that the RPP will suffer a loss, that the state administration will change significantly in both personnel and form, and that with the crises, perhaps — just perhaps — the likelihood of an early election may present itself. If the assumptions of the main opposition group do not after all materialize, then the "opposing plans, or else expectations" of the RPP will encounter a favorable situation.

RPP: Party May Suffer Setback in Election

The interpretation of the by-elections by the RPP, which is carrying out its duties as government under extremely difficult conditions, can be summarized as follows with the expressions of top-level party officials:

"...The impression gained from the Prime Minister's most recent trips for cornerstone-laying is this: that the party is maintaining the position it held in 1977. Perhaps there will be a setback in the voting."

In other words, the RPP belief is that "We are maintaining our position."

It is evident that it is most difficult to adhere to the view that the position is being maintained (We have passed from politics now and are judging in light of economic developments). Yet the RPP staff thinks thusly:

"...There will be a significant increase in votes for the RPP in rural areas, especially in these elections. The effect of the positive decisions taken by the government, from the support prices to the prevention of double prices for tractor sales, will be very great. Furthermore, the villager realizes just how difficult the conditions were under which the RPP assumed its duties. He realizes the difficulties, both foreign and domestic, as he follows these things closely. He is happy with the support prices. In Aydin, for instance, the cotton prices produced not merely joy, but a regular holiday..."

There is this in addition: Ecevit — just as before every election — is maintaining his optimism, and he believes that, with two months to go until the election, he will attract the masses to his side with a number of prominent and positive acts to be performed by the government.

Let there be no doubt that Ecevit is also taking the losses into account. However, we cannot know whether these losses will be as great as the JP calculates; it is certainly obvious that there is one party leader who does not share this great JP expectation.

The RPP has completed the first stage of its election strategy with the Prime Minister's cornerstone-laying ceremonies. The current preparations are oriented toward the decisive settling of matters in the election.

Let us note this one point: The RPP will not be engaged in a bare election battle; it is very likely that, in the special congress following the election, a rivalry within the party will arise, or even, after serious losses in the elections, a settling of accounts between the leader and the various cliques arrayed against him. Even if the RPP should fall to the opposition, though, it is not without a number of bases for support to which it could hold, such as foreign aid obtained, the support prices, the increase in exports, and serious new initiatives in foreign policy.

Colorful days are ahead. Both party leaders will begin their election campaigns in September. This time, their efforts nationwide will take on a brutal form. And they are justified in this, as both great parties, in these elections, will be engaged in a struggle to obtain a numerical total sufficient to control both the government and the state.

9173
CSO: 4907

RPP, JP SCORED FOR PLAYING POLITICS WITH CLOSURE OF NAP

Istanbul MILLIYET in Turkish 4 Aug 79 p 2

[Column by Muntaz Soysal]

[Text] According to a good many people, the NAP has lost its influence within Turkish political life. The question of whether the NAP should be banned or not, however, continues to be one of the basic issues of debate in Turkish political life.

If it has indeed lost its influence, why is the question of its closing so important?

According to one approach, it is actually the JP which wants the NAP to be closed down: this party's calculations are predicated on inheriting the NAP votes. Furthermore, the RPP, knowing this plan of the JP, doesn't want the NAP to be closed: it wants the rightist votes to be divided.

If one looks at the heart of the matter, each side can say "This is a matter for the courts to decide" and thereby avoid any definite action for as long as they might desire. In fact, the law states that either the government or political parties can initiate action in the mechanism of closing down a group, but it is always easier to load the whole burden onto the office of the Attorney General of the Republic.

It is certain that, in a case so controversial from the standpoint of political considerations, the Attorney General's office is faced with a great responsibility. In addition, there are cases now beginning to come before the Attorney General from the courts.

Thus applying to the Constitutional Court for a banning order would be little different than not applying...

It would seem that the best thing to do would be to look upon the matter, quite aside from the political considerations, as a purely judicial affair

and, if there be sufficient evidence for the mechanism to go into action, merely wait for the mechanism to begin to operate.

For none of the political calculations aimed either at closing the NAP or at preventing its closing rests on a sound basis. It is very easy to find the contradictory aspects of each plan.

Let us look at the way of thinking which says that "Closing the NAP will benefit the JP". Is not this thought one which works against itself the more prevalent it becomes? Is a NAP supporter who suspects that a desire to "put the JP ahead" lies behind a decision to close the NAP, no matter how that decision is reached, likely to give his vote to the JP? In particular, won't the members of a party so "disciplined" as the NAP is said to be, either in anger or in obedience to an order coming from above, merely refrain en masse from going to the polls?

If the school of thought which says that "Closing the NAP won't benefit the RPP" is based on a strategy of dividing the votes in opposition to the RPP, is there no contradiction inherent in this as well? All right, let us assume that the RPP has, in this way, divided the votes of its opposition. What will happen to its own votes? Is not the image of "an RPP which couldn't even manage to shut down the NAP" going to alienate one wing of the RPP voters above all?

The real contradiction inherent in all these calculations should yield an indirect confession as well. Don't all these strategies based on the NAP votes show that this party still possesses a rather important vote potential?

Why, even though its name has been soiled by implication in numerous incidents of violence and it is threatened with being shut down, is the vote potential of the NAP still sufficient for it to be the focus of all these various calculations?

It is necessary to seek the answer to this question in the attraction which the NAP line holds, particularly for a portion of the people within the Corum-Erzurum-Gaziantep triangle. This area, which shelters both Sunni and Alevi Muslims and in which the balance of ethnic groups has become very sensitive, has not reached a rapid rate of change, despite suffering simultaneously the pains of almost all the social transitions: from a closed to an open society, from unproductive agriculture to a semblance of industry, from small towns to large cities. In short, it resembles neither Eastern Anatolia nor Western Anatolia.

For a portion of the bewildered inhabitants of this area, or for a portion of the youths who have left the area and moved to the large cities, the NAP presents a line which is appropriate to their confusion and anger, offering them a springboard based upon a mixture of racism and sectarianism. The resentful and downtrodden youths have made enemies upon whom they could almost vomit their resentment, yet at the same time they are imbued with a longing for a great Turkey embellished by a thousand years of dreams.

Why?

Because the others, right now, cannot give them anything else.

The youth of Turkey, and especially the youth of distressed regions, are engulfed in a great emptiness. They have a thirst for exciting passions which would rescue them from the current dead-ends and propel them toward the future.

The NAP has found out how to appeal to a portion of these young people and has succeeded in transforming the thirst in question into a negative militance of reaction.

Just as the way illegal organizations make use of the same thirst.

This thirst is not going to disappear merely upon the NAP's being closed down or the illegal organizations' being dispersed. If the RPP and the JP were to devote themselves to the possibility of presenting a meaningful goal to young people, rather than to plans for shutting down the NAP, they would be further ahead.

9173

CSO: 4907

'DUNYA' REPORTS SUKAN-MATARACI RIFT

Istanbul DUNYA in Turkish 5 Aug 79 pp 1,7

[Text] Ankara: It has been revealed that relations are not good between Minister of State and Assistant Prime Minister Faruk Sukan and Minister of Customs and Monopolies Tuncay Mataraci, and it has been asserted that, in a government which has been unable to escape from problems, the rift between the two ministers has emerged as yet a new problem.

Holding a press conference at the beginning of the week, Minister of State and Assistant Prime Minister Faruk Sukan announced to the public as an addition to what he had revealed the previous week that a second irregularity has been uncovered in connection with the contraband iron brought to the Izmit harbor.

The Minister of Customs, criticizing the ministry of the Minister of State and Assistant Prime Minister, became angry at their carrying out activity and making statements in a matter which pertained to his own ministry.

Customs Ministry officials will present the notes which they have prepared in connection with Sukan's charges to Minister of Customs and Monopolies Mataraci, currently in Istanbul. For this reason, the Minister's return to Ankara was expected yesterday. If it is understood that the Minister will not return to Ankara, the notes will be brought to Istanbul by ministry officials and given to the Minister there.

Stating that the probability of the matter's giving rise to a new crisis within the Council of Ministers is quite high, officials suggested that it would perhaps be necessary for the Prime Minister to enter the affair in order for the matter to be resolved.

As is known, Minister of State and Assistant Prime Minister Sukan revealed in a press conference held last Tuesday that, after the incident in which iron was brought illegally to the Yarmca docks from abroad aboard the ship "Zehra Guveli", 3,450 tons of iron was seized during an attempt to bring it into the country through the same port, this time aboard a Greek ship named the "Mikos", by labelling it as scrap.

Saying that "Unfortunately, the Yarmca Customs has become a preferred spot for these matters," he announced that an order had been issued to the Kocaeli governor's office for the iron brought on the ship to be sold to whoever needs it.

During the press conference, Sukan also revealed that a bribe of 50 million lira had been offered him while he was investigating the customs irregularities, and that he had "dismissed this bribe with the back of his hand."

9173
CSO: 4907

'AYDINLIK' REPORTS KDP SPLIT BY BARZANI BROTHERS' DISSENT

Istanbul AYDINLIK in Turkish 5 Aug 79 pp 1,7

[Text] Hakkari: It has been reported that the Kurdistan Democratic Party (KDP) of Kurdish leader Molla Barzani, who died last February, has split into two factions.

It is thought that the reason for the rift is the fighting which has continued for some time between the Iranian government and separatist Kurds, and that the two brothers Idris Barzani and Mesut Barzani have differing views on this matter.

According to reports received, Mesut Barzani, who leads the Kurdish movement in the region of northwestern Azerbaijan in conjunction with Sheikh Izzettin Huseyin, Chairman of the Iranian KDP Executive Council, is receiving great support from Haji Sami and Bedirhan Tamer, tribal leaders of the Iranian Kurds.

The area of Usnechuya, Piransehr, Nagadeh, Mergover, Zive, Sardest, and Mahabad, near the Turkish border in the vicinity of Sardinli, is currently under Kurdish control. Mesut Barzani leads the Kurdish movement, which is equipped with the latest model weapons in its revolt against Iranian government forces in a struggle for autonomy.

As for Mesut Barzani's brother Idris Barzani, he is at the head of the Kurdish movement in northern Iraq.

On the other hand, it is also alleged that Idris Barzani is receiving support from Khomeyni. His initiation of the Kurdish movement in Iraq and receipt of aid from Khomeyni caused Mesut Barzani to remain in the Iranian city of Mahabad rather than participate in the movement in Iraq.

9173

CSO: 4907

'HURRIYET' LOOKS AT TFSC ON ITS FIFTH ANNIVERSARY

Istanbul HURRIYET in Turkish 20 Jul 79 p 9

[Article by Ziya Akcapar]

[Text] Nicosia (HURRIYET) -- The National Turkish Cypriot Community, which attained liberty by the Peace Operation of 20 July 1974, has today during the intervening 5-year period completed its democratic formation with all its institutions, has attained great resources in the economic field, but is approaching a bend in the road as a result of the pattern of economic growth, the error of which has come glaringly to light.

After the Peace Operation, the Turkish Cypriot Community became on 13 February 1975 the "Turkish Federated State of Cyprus [TFSC]," and the Constitution drawn up by the 50-member Constituent Assembly was approved by a large majority of the people on 8 June 1975 and entered into force.

The Turkish Federated State of Cyprus, which held its first general election on 20 June 1976, has had three different governments in three years. with Nejat Konuk, Osman Orek and Mustafa Cagatay, who has been in office for the past eight months, each heading the government in turn.

While advancing the effort to bring into being in the internal structure the democratic TFSC with all its institutions and organs, the leaders of the two ethnic communities on the island, Denktas and Kyprianou, met on 19 May 1979 after a two-year hiatus and signed a 10-article political document.

Only four sessions of intercommunal discussions were held in light of this political document, however, and they were postponed indefinitely because the Greek Cypriot side rejected the proposal for a "biregional federal solution" and insisted on taking up the Maras [Varosha] matter with priority and settling Greek Cypriot refugees in the area.

In the wake of this postponement, the Greek Cypriot side, while advancing their own strategy to create "cracks" in the internal structure of the Turkish Cypriot community on the one hand through political parties, unions

and various institutions, put into practice on the other hand the tactics of seeking a political solution in international forums.

Following this general introduction, let us mention briefly the strides which the Turkish Cypriot community has made and the various problems it faces today in its fifth year:

As is known, the Turkish Cypriot community covers an area of 3,338 square kilometers, excluding the buffer zones. The population, according to last year's figures, is 145,000. Women comprise 49.8 percent and men, 50.6 percent.

Forty-five percent of the Turkish Cypriot population is engaged in agriculture and 16.8 percent in the services sector.

Direct Budget Aid

Since the Peace Operation, the Turkish governments have mobilized resources for the economic development of the Turkish Cypriot community and to enable it to become self sufficient.

A large portion of the TFSC budget each year is met either directly or indirectly by the governments of the Republic of Turkey.

According to available data, direct budget assistance since 1974 has been:

1974:	894.6 million Turkish liras
1975:	371.6
1976:	428.0
1977:	133.5
1978:	383.5
1979:	378.0

Besides this direct budget aid, indirect aid is also provided to meet TFSC budget outlays. This year, as in past years, the Agricultural Bank of Turkey will allow an advance of 250 million liras. The amount of money drawn from the Agricultural Bank by the TFSC since 1974 is reportedly around 1.2 billion liras.

The Island of Cyprus has been important historically as a commercial and transit center between East and West.

The commercial sector in the TFSC is made up of innumerable small business establishments. A large portion of them is family operations. Incorporation and higher-level organizational discipline have not even yet become a trend.

The "import with waiver" regime applied in the TFSC after the Peace Operation has upset the "social balance" in the Turkish Cypriot community in the intervening five years.

As a result of the enticements offered by commerce, doctors, engineers, dentists, lawyers, teachers and retired policemen make up the majority of the "businessmen" in the Cypriot marketplace today. Rather than work and produce in their fields of knowledge and expertise, they have taken the easy route of pursuing a higher standard of living by selling the goods of a few importers, on a set commission yet.

The vitality of the Cypriot market is provided by an average of around 130,000 tourists who come annually from Turkey.

When it was determined that the Turkish lira suffered a loss in value when passing to the European foreign exchange markets via Cyprus, Turkey introduced the practice of allowing tourists going to the island "checks" limited to 10,000 Turkish liras. Tourists practicing this system, however, are rarely encountered. According to one account, cash Turkish liras flowing to the Cypriot market by way of tourists amount to more than 4.5 billion liras annually.

Clearly, the "imports with waiver" which were intended to ensure goods for tourists coming from Turkey have become, as mentioned earlier, a disruptive force within the Turkish Cypriot community, because though goods entering in this way are set at 1 Cypriot pound to 36 Turkish liras, a system of 1 Cypriot pound to 150 Turkish liras is practiced in the pricing of the goods. This practice affects the general price balance, and when the market price of everything suddenly increases artificially three or four times, unjust profits go into the pockets of specific persons in the interval.

The profits obtained from imports with waivers, which in addition to economic erosion destroy commercial custom and ethics, are exchanged in Britain and especially Germany, owing to a lack of confidence in the Turkish lira, and lie in deposit accounts opened in banks in these countries. Britain has encouraged this conduct by recently introducing interest rates up to 15 percent on accounts of this type.

In addition, Cyprus' imports and exports, according to a secret report in our hands which was prepared by a very reliable source, are gradually becoming dependent on Britain, whereas the ties with Turkey are gradually declining in the general picture.

Tourism

If the approximately 19,000 beds in the 194 tourist facilities acquired after the Peace Operation, only 3,292 have been put into service in the intervening 5 years. There are 2,300 additional beds in 35 facilities set aside for nontourist services.

Although a 40-percent occupancy rate has been realized in the hotels in recent years, an unexpected development has occurred in 1979 and the occupancy rate has reached 100 percent in many facilities.

This year for the first time, foreign tourist traffic has reached a substantial level. Package tours from Italy, West Germany and Britain are now coming in. This development has again brought into play the perennial bottleneck of Cypriot tourism — the communications problem. This problem still awaits solution today.

Agriculture and Industry.

In Cyprus, which has a long history of experimentation in the field of cooperativism, a great deal of success has been achieved in a short time with the direct support of the Turkish Republic Aid Delegation.

In industry, the Turkish Cypriot Industrial Operations Holding Company, which employs 1,400 workers, has not yet been able to achieve full capacity owing to malaise at the administrative level, for which corrective action has just been undertaken this year. The average production capacity in the Industrial Holding operations, which have raised their capital from 100 million liras to 250 million, is still around 60 percent.

Social Developments

With these economic and social developments occurring in the Cypriot economy, various political views have begun to gain force in the atmosphere of unlimited freedom.

This nation, with an electorate of around 52,000, now has seven political parties. In addition, well-organized left-wing and right-wing groups are trying to gain dominance in the society through non-party politics.

This year, the unions have also reached a level to have political impact. The Federation of Revolutionary Workers' Unions (Dev-Is) and the leftist union PEO [Pan-Cyprian Labor Federation], which is under Communist AKEL Party guidance, recently held a meeting at the Ledra Palace Hotel and adopted a series of resolutions. Among these resolutions was one calling for a dual-community, biregional Federal Cyprus divided by set boundaries. Denktas announced that this was at complete variance with the official Turkish position. Also, Dev-Is, in collaboration with the PEO, has begun to defend taking the Cyprus problem to an international conference. Certain political parties have also begun to support these views.

The union opposition has led the organizations named the Progressive Youth Association and Halk-Der [expansion unknown] to speak up for their own solution preferences. Halk-Der is trying to create an atmosphere of accommodation between Turkish and Greek Cypriots with the slogan "All People Are Brothers."

In addition to all this, the powerful Chamber of Commerce has also garnered sympathy in a specific sector of the society through use of the slogan "Economic Independence." The parallel slogan "Political Independence" has been brought into play by certain sectors as, ultimately, independence vis-a-vis Turkey.

Such, then, is the atmosphere, the search for direction, in Cyprus in its fifth year of freedom.

8349

CSO: 4907

ECEVIT SUGGESTS REGIONAL UNITY AGAINST FOREIGN PROVOCATION

Istanbul GUNHURİYET in Turkish 29 Jul 79 pp 1, 11

[Article by Erbil Tusalp]

[Excerpt] Mardin -- Prime Minister Bulent Ecevit attended groundbreaking ceremonies yesterday at a cigarette factory in Bitlis, toured the phosphate project in Mazıdağ and held discussions with provincial administrators in Siirt.

In the statements he made, the prime minister dwelled on developments in the Middle East and called on the neighboring countries for "solidarity and cooperation" on foreign provocations directed against the region. Speaking of the Karakaya and Karababa energy and irrigation facilities, Prime Minister Ecevit said, "Turkey will demonstrate the necessary care to ensure that these facilities, which will contribute to development of the Middle East, strengthen the solidarity between us and the neighboring countries."

The prime minister complained that there is no lack of advocates of the rule of "divide and conquer" in the Middle East and said, "It is primarily foreign provocation stirring up the ethnic problems in the region."

Speaking of developments in the Middle East, Ecevit said the following in summary:

"The Middle East is one of the most important regions of the world of our time, both strategically and economically. The region's historical importance has doubled in recent years, its problems have grown and become more complex.

"The interference of certain foreign states and powers has been most influential in the gradual growth and complexity of the problems.

'Divide and Conquer'

"There is no lack of advocates of the rule of 'divide and conquer' in our region, in which the interest of the world is especially concentrated from the standpoint of oil. The conflicts of interest between those who practice this rule also complicate development of the region and achievement of peace.

"In general, our era is an era of pronounced ethnic trends. But, while the ethnic problems of nations in other regions and areas of the world concern only themselves, it is primarily foreign provocation that is stirring up the ethnic problems in the Middle East.

Those Who Are Deceived

"Those who fall for these provocations have fallen into the trap and are being deceived by the new colonialism or new imperialism from a different source.

"The Turkish nation is a nation which throughout history has nurtured its own ethnic distinctions, it has not nourished racial and class distinctions. This traditional and sound characteristic of our nation was fully comprehended in the unification of Atatürkist nationalism. The people of our eastern and southeastern Anatolia, who have joined as one in the knowledge of being a single nation, have, in the twentieth century and especially in recent years, shown a particularly heartening keenness to protect our national unity the the integrity of our state in the face of growing provocation, provocation of which some has been internal but much more of which is foreign.

"Therefore, we are not worried about Turkey on that score. But the occasions of effectiveness of this sort of provocation in certain other nations in our region is a matter of concern for all nations of the region, for all of us.

Solidarity and Cooperation

"The nations of the Middle East, which are close to one another with especially deep cultural and religious ties, by entering full solidarity in all matters, will be able to nullify the arrangements, traps and provocations designed to divide and weaken both certain individual nations of the region and the region as a whole, and will facilitate regional peace and tranquillity as well as the strengthening and rapid development of all nations of the region.

We Do Not Interfere in Internal Affairs

"Turkey and our government are contributing and are ready to contribute in every way possible to the realization of a widespread peace and tranquillity on a sound foundation based on such solidarity and cooperation and to the development of the region as a whole. And while making this contribution, adopt as the basic principle that no nation should interfere, even indirectly, in the internal affairs of any other.

NEW GOVERNMENT EFFORTS TO ATTRACT FOREIGN EXCHANGE

Istanbul MILLIYET in Turkish 22 Jul 79 p 8

[Text] Ankara, special--Now that the "foreign currency in exchange for military service" draft bill is ready, the government, in a continuing effort to ease the foreign exchange shortage, has turned its attention to a draft bill that offers a "Turkish holiday with foreign exchange." The new project, oriented at the Turkish workers employed abroad, is designed to increase workers' foreign exchange remittances.

Minister of Tourism and Information Alev Coskun, in a briefing on the government's tourism promotion efforts, disclosed that measures were taken to make Turkey attractive to tourists from wealthy Arab lands. The first step entails, according to Mr Coskun, making Istanbul's historic seaside houses available on a rental basis to wealthy Arab tourists.

Minister Coskun also announced plans to form a tourism police force which is expected, as was the tourism volunteers auxiliary, to supply active assistance to foreign tourists in Turkey. The draft bill on the tourism police organization will empower these special police officers to monitor tourist facilities and shops frequented by foreign tourists. The minister of tourism and information also supplied the following information on the planned measures:

"We are preparing coupons which tourists will use to purchase gas without waiting in line by paying for their purchases in foreign exchange. Our workers employed abroad will be allowed to use these coupons also. Governors of popular tourist provinces have taken the necessary measures in this area. Vehicles with foreign plates will not have to get on line to purchase gas."

The minister disclosed that the measures taken last year resulted in an unprecedented net revenue in foreign exchange in the tourism field. He said:

"According to receipt and expenditure figures in the tourism area, Turkey had a deficit of \$23 million in 1976 and \$60 million in 1977, but in 1978, we had a \$284 million revenue. When we deduct from that amount the foreign

exchange allotted to people travelling abroad, it gives us a \$182 million net revenue. I would like to offer some statistical data to illustrate the significance of this figure. The total net revenue Turkey had from tourism in the past 15 years came to \$65 million, but in 1978 alone, we had \$182 million in net revenue. The figures themselves explain why Turkey should take tourism seriously.

"Turkey was able to reach these figures with only a 50,000-bed capacity. Meanwhile, in Spain, the overnight lodging capacity is 2.3 million beds. In Greece, there are 255,000 beds available for foreign tourists. That is why, Spain had \$4.3 billion and Greece had \$981 million in tourism revenue in 1977. The credit we receive from the IMF and the OECD is used to repay the current debts and naturally, it is unproductive, it takes us only over one hump. Turkey must generate its own foreign exchange, and generate it in large amounts. One area where it can be done is tourism."

Mr Coskun pointed out that even the most basic questions--availability of restrooms, for one--had to be attended to by the ministry. He disclosed that the implementation of the rest areas construction project will begin next year along the Route E-5 between Ankara and Istanbul. He also provided the following information on the project:

"The rest areas to be constructed under this project will include a restaurant, a fast-food counter, a gift shop, restrooms, showers, and a gas station. In time, we will build similar facilities along all tourist routes."

The minister of tourism supplied information on other steps already taken, or envisioned, for the promotion of tourism. Then, he added:

"All facilities, whether already in service or about to open its doors, must be foreign tourist-oriented. We are doing everything necessary to make them so.

"We must ensure that excursionists, who are hosted by other countries, come to Turkey also, remain here overnight and spend money.

"The tourism operation licences, which are issued by our ministry, will no longer constitute a rubber-stamp approval of charging exorbitant prices. The licence system will be transformed into a mechanism to encourage high-quality service.

"We must not allow the TIR [International Highway Transport] traffic to block the weekend tourist traffic. We are taking measures to make it easier and faster to cross into Turkey at border checkpoints."

According to Minister Coskun, the requirement of converting a certain amount of foreign exchange into Turkish currency has been reviewed carefully by the Ministry of Finance and the State Planning Organization. He announced that experts concluded after the review that enforcement of such a requirement will have unfavorable consequences. Instead of forcing the tourist to

convert a certain amount of his money into the local currency, we should, and we will, create an environment where he will want to convert and spend his money. The minister concluded his briefing as follows:

"I also would like say a few words about our tourism campaign. We decided to limit the variety of our brochures in 1979, and instead print a large number of several brochures and put the emphasis on basic publications. Another decision was to intensify the ad campaign in Germany and in other lands where German is spoken. We also considered producing a Lelouche-type film which provides general information on Turkey. It will be done through our outlets in Munich and Frankfurt and will be financed out of the current budget. Meanwhile, in cognizance of the effectiveness of TV films, we will, with priority, consider offers of producing TV films in return for free accomodation.

"We ordered 150 copies of each of the films by John Sovage--the "Fabulous Istanbul" and the "Turkey Has Some Surprises for You," and 411 copies of Claude Lelouche's "Turquie." The copies are ready and are in the process of distribution."

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SHORTFALL REPORTED IN PRODUCTION OF BASIC COMMODITIES

Istanbul TERCUMAN in Turkish 4 Aug 79 p 4

[Text] Ankara: It has become clear that, in the first six months of the year, it has not been possible to reach the program goals in the production of basic and critical goods.

Data collected by the State Planning Organization in regard to the approximately 90 basic and critical goods whose monthly production is followed shows that difficulties encountered during the first half of the year in supplying raw materials, especially inputs based on imported goods, have prevented the achievement of an orderly increase in production. In spite of this, although the goals of the program were not reached, significant production increases over the corresponding period of the preceding year were registered in the sectors of railroad vehicles, agricultural equipment, iron and steel, fertilizers, electrical energy, and mining.

Production changes in basic goods, as well as the percentages of the 1979 program realized, are shown in the following table:

Sector	Percentage change in production over first six months of 1978	Percentage of 1979 program realized
Mining	11.2 %	57.8 %
Processed Food Industry	-17.1	20.0
Alcohol and Tobacco	- 2.8	63.1
Textiles	5.6	38.5
Leather Products	14.2	45.4
Wood Products	- 7.5	32.9

Paper	- 1.6 %	43.6 %
Rubber	- 3.7	36.3
Chemicals	27.3	26.3
Petrochemicals	-30.5	31.5
Petroleum Products	-20.6	24.3
Fertilizer	57.1	29.5
Cement	- 8.3	41.5
Refractory Materials	32.6	52.5
Iron and Steel	28.6	36.4
Non-ferrous Metals	2.7	40.3
Agricultural Equipment	42.3	22.6
Road Vehicles	- 5.3	30.8
Railroad Vehicles	453.2	21.6

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TURK-IS OFFICIAL WARNS 'SOCIAL CONTRACT' MAY BE CANCELLED

Istanbul TERCUMAN in Turkish 6 Aug 79 pp 1,14

[Text] Adana: Turk-Is [Turkish Confederation of Labor] General Secretary for Organization and Tes-Is [Federation of Turkish Energy, Water, and Gas Workers' Unions] General Chairman Orhan Ercelik has stated that "The inconceivable stance which has been taken against workers and unions affiliated with Turk-Is by certain top-level and workplace managers employed in the public sector has reached such dimensions that it could give rise to a review and even a total cancellation of the social contract."

Visiting several unions along with a delegation from Turk-Is's fourth region after having participated in the Cukurova Tes-Is Union's general staff meeting in Adana, Ercelik answered various questions from newsmen.

Responding to questions relating to the statement published by the executive council in conjunction with the 27th anniversary of the founding of Turk-Is, Ercelik spoke as follows:

"We have determined that certain administrators in the public sector have engaged in unbelievable actions, especially since the signing of the social contract, against organizations associated with Turk-Is and their members.

"They have departed from the principle included in the last section of the social contract which states that 'Not only does the government consider the avoidance by all public institutions of activities which would impinge upon the workers' freedom to choose their unions to be an absolute essential of a democratic conception of labor, but it will also take particular care to ensure that this agreement does not lead to an unwarranted competition among labor organizations.'

"Throughout Turkey, there are hundreds of examples such as we will provide, particularly in the energy field. It is also possible to provide various examples from Adana.

"During this period, people have frequently been encountered who would like to get workers to change unions by exerting pressure on them, and who, in order to put individuals aligned with themselves into office on the normal general staffs of labor organizations, descend so low as to lobby behind the scenes among the workers during elections, and who have endeavored mightily to ensure that the rights born of comprehensive contracts not be conferred, and who, totally disregarding the provisions of law and of contracts, cancel the contracts of union officers.

"In addition, it was foreseen in one section of the social contract that, for a certain period, contracts separated according to workplace and branch of industry would not be made, on the assumption that this would be a factor in attaining economic stability.

"Both the invalidity of this from the standpoint of Law number 175 currently in force and the abnormal price increases which have occurred during the past year and a half render it impossible to act in accord with this desire.

"The Tes-Is Federation will, on the one hand, work to lighten the unbearable load on the backs of energy workers, bearing the economic realities in mind, and, on the other hand, will guarantee its members' rights in the workplace: rights born of laws and of contracts which have not recently been implemented."

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ELBISTAN-AFSIN THERMAL POWER PLANT NEARS COMPLETION

Istanbul DUNYA in Turkish 22 Jul 79 p 3

[Text] Kahramanmaras (Anatolian News Agency)--Workers have begun to assemble the first unit of the Elbistan-Afsin thermal power plant which, when finished, will have an annual capacity of 8 billion kilowatt-hours. Reportedly, the first unit will be ready to operate next year in October.

After the 340-megawatt first unit goes into service, officials say, the remaining three units will take 6 months each to assemble. When the plant, which was begun in 1975, is fully operational, it is expected to meet 33 percent of the national demand. The 100 billion-lira plant will be one of the few in the world capable of producing electricity by using low-quality coal. A delay in construction will mean, according to officials, a daily loss of nearly 300 million liras' worth of energy for Turkey.

Region Has 3,2000 Tons of Lignite

Officials said, "The Elbistan-Afsin thermal power plant will use locally mined coal. The region where the plant is located has a coal bed stretching over a 80,000-decare area. Estimates put the region's lignite reserve at 3,200 million tons. We expect to extract 18 million tons of coal annually and use 80 percent of the output in energy production. The rest will be used to meet the region's fuel demand. We have prepared facilities with a combined capacity of 1 million ton to store the coal extracted from the beds."

Special Road Built To Transport Large Parts

While the Turkish Coal Works, Inc. is making the necessary preparations to mine the region's coal reserves, the Turkish Electric Power Authority is concentrating on completing the thermal power plant. Buildings which will house administrative offices, lodgings for the personnel, and housing developments for workers are already finished. Large and heavy parts of the plant, which are imported from abroad, were brought to the port of Mersin, and then, transported to the Kapidere train depot on a special train.

To get those parts to the construction site, the Turkish Electric Power Authority used 250-ton-capacity trailers rented from France. The operation required the reinforcement of certain sections of the Mersin-Kapidere rail line and construction of a 64-kilometer special road from Kapidere to the plant site.

An all-out effort is underway to complete the Elbistan-Afsin thermal power plant on schedule. We had to borrow \$680 million from foreign sources to build the plant. Our loss will be enormous if the plant fails to go into service on schedule because it would mean new factories and plants which have been set up on the assumption that the plant will be operational on a certain date will not be able to begin operations for the lack of energy. In that event, the estimated loss to the nation's economy will be around 300 million liras a day.

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